הסכמי אוסלו

Israel-PLO Recognition-Exchange of Letters between PM Rabin and Chairman Arafat[1]

September 9, 1993

LETTER FROM YASSER ARAFAT TO PRIME MINISTER RABIN

September 9, 1993

Yitzhak Rabin
Prime Minister of Israel

Mr. Prime Minister,

The signing of the Declaration of Principles marks a new era in the history of the Middle East. In firm conviction thereof, I would like to confirm the following PLO commitments:

The PLO recognizes the right of the State of Israel to exist in peace and security.

The PLO accepts United Nations Security Council Resolutions 242 and 338.

The PLO commits itself to the Middle East peace process, and to a peaceful resolution of the conflict between the two sides and declares that all outstanding issues relating to permanent status will be resolved through negotiations.

The PLO considers that the signing of the Declaration of Principles constitutes a historic event, inaugurating a new epoch of peaceful coexistence, free from violence and all other acts which endanger peace and stability. Accordingly, the PLO renounces the use of terrorism and other acts of violence and will assume responsibility over all PLO elements and personnel in order to assure their compliance prevent violations and discipline violators.

In view of the promise of a new era and the signing of the Declaration of Principles and based on Palestinian acceptance of Security Council Resolutions 242 and 338, the PLO affirms that those articles of the Palestinian Covenant which deny Israel's right to exist, and the provisions of the Covenant which are inconsistent with the commitments of this letter are now inoperative and no longer valid. Consequently, the PLO undertakes to submit to the Palestinian National Council for formal approval the necessary changes in regard to the Palestinian Covenant.

Sincerely,

Yasser Arafat
Chairman
The Palestine Liberation Organization

[1] From:
http://snipurl.com/27b21p4

LETTER FROM YASSER ARAFAT TO NORWEGIAN FOREIGN MINISTER

September 9, 1993

His Excellency
Johan Jorgen Holst
Foreign Minister of Norway

Dear Minister Holst,

I would like to confirm to you that, upon the signing of the Declaration of Principles, the PLO encourages and calls upon the Palestinian people in the West Bank and Gaza Strip to take part in the steps leading to the normalization of life, rejecting violence and terrorism, contributing to peace and stability and participating actively in shaping reconstruction, economic development and cooperation.

Sincerely,

Yasser Arafat
Chairman
The Palestine Liberation Organization

LETTER FROM PRIME MINISTER RABIN TO YASSER ARAFAT

September 9, 1993

Yasser Arafat
Chairman
The Palestinian Liberation Organization

Mr. Chairman,

In response to your letter of September 9, 1993, I wish to confirm to you that, in light of the PLO commitments included in your letter, the Government of Israel has decided to recognize the PLO as the representative of the Palestinian people and commence negotiations with the PLO within the Middle East peace process.

Yitzhak Rabin
Prime Minister of Israel



State of Israel

Declaration of Principles on Interim Self-Government Arrangements

September 1993

Ministry of Foreign Affairs
Jerusalem

Declaration of Principles on Interim Self-Government Arrangements[2]

September 13, 1993

The Government of the State of Israel and the P.L.O. team (in the Jordanian-Palestinian delegation to the Middle East Peace Conference) (the "Palestinian Delegation"), representing the Palestinian people, agree that it is time to put an end to decades of confrontation and conflict, recognize their mutual legitimate and political rights, and strive to live in peaceful coexistence and mutual dignity and security and achieve a just, lasting and comprehensive peace settlement and historic reconciliation through the agreed political process. Accordingly, the two sides agree to the following principles:

Article I
Aim of the Negotiations

The aim of the Israeli-Palestinian negotiations within the current Middle East peace process is, among other things, to establish a Palestinian Interim Self-Government Authority, the elected Council (the "Council"), for the Palestinian people in the West Bank and the Gaza Strip, for a transitional period not exceeding five years, leading to a permanent settlement based on Security Council Resolutions 242 and 338.

It is understood that the interim arrangements are an integral part of the whole peace process and that the negotiations on the permanent status will lead to the implementation of Security Council Resolutions 242 and 338.

Article II
Framework for the Interim Period

The agreed framework for the interim period is set forth in this Declaration of Principles.

Article III
Elections

1. In order that the Palestinian people in the West Bank and Gaza Strip may govern themselves according to democratic principles, direct, free and general political elections will be held for the Council under agreed supervision and international observation, while the Palestinian police will ensure public order.

[2] from:
http://www.knesset.gov.il/process/asp/event_frame.asp?id=37

2. An agreement will be concluded on the exact mode and conditions of the elections in accordance with the protocol attached as Annex I, with the goal of holding the elections not later than nine months after the entry into force of this Declaration of Principles.
3. These elections will constitute a significant interim preparatory step toward the realization of the legitimate rights of the Palestinian people and their just requirements.

Article IV
Jurisdiction

Jurisdiction of the Council will cover West Bank and Gaza Strip territory, except for issues that will be negotiated in the permanent status negotiations. The two sides view the West Bank and the Gaza Strip as a single territorial unit, whose integrity will be preserved during the interim period.

Article V
Transitional Period and Permanent Status Negotiations

1. The five-year transitional period will begin upon the withdrawal from the Gaza Strip and Jericho area.

2. Permanent status negotiations will commence as soon as possible, but not later than the beginning of the third year of the interim period, between the Government of Israel and the Palestinian people representatives.

3. It is understood that these negotiations shall cover remaining issues, including: Jerusalem, refugees, settlements, security arrangements, borders, relations and cooperation with other neighbors, and other issues of common interest.

4. The two parties agree that the outcome of the permanent status negotiations should not be prejudiced or preempted by agreements reached for the interim period.

Article VI
Preparatory Transfer of Powers and Responsibilities

1. Upon the entry into force of this Declaration of Principles and the withdrawal from the Gaza Strip and the Jericho area, a transfer of authority from the Israeli military government and its Civil Administration to the authorised Palestinians for this task, as detailed herein, will commence. This transfer of authority will be of a preparatory nature until the inauguration of the Council.

2. Immediately after the entry into force of this Declaration of Principles and the withdrawal from the Gaza Strip and Jericho area, with the view to promoting economic development in the West Bank and Gaza Strip, authority will be transferred to the Palestinians on the following spheres: education and culture, health, social welfare, direct taxation, and tourism. The Palestinian side will commence in building the Palestinian police force, as agreed upon. Pending the inauguration

of the Council, the two parties may negotiate the transfer of additional powers and responsibilities, as agreed upon.

Article VII
Interim Agreement

1. The Israeli and Palestinian delegations will negotiate an agreement on the interim period (the "Interim Agreement").

2. The Interim Agreement shall specify, among other things, the structure of the Council, the number of its members, and the transfer of powers and responsibilities from the Israeli military government and its Civil Administration to the Council. The Interim Agreement shall also specify the Council's executive authority, legislative authority in accordance with Article IX below, and the independent Palestinian judicial organs.

3. The Interim Agreement shall include arrangements, to be implemented upon the inauguration of the Council, for the assumption by the Council of all of the powers and responsibilities transferred previously in accordance with Article VI above.

4. In order to enable the Council to promote economic growth, upon its inauguration, the Council will establish, among other things, a Palestinian Electricity Authority, a Gaza Sea Port Authority, a Palestinian Development Bank, a Palestinian Export Promotion Board, a Palestinian Environmental Authority, a Palestinian Land Authority and a Palestinian Water Administration Authority, and any other Authorities agreed upon, in accordance with the Interim Agreement that will specify their powers and responsibilities.

5. After the inauguration of the Council, the Civil Administration will be dissolved, and the Israeli military government will be withdrawn.

Article VIII
Public Order and Security

In order to guarantee public order and internal security for the Palestinians of the West Bank and the Gaza Strip, the Council will establish a strong police force, while Israel will continue to carry the responsibility for defending against external threats, as well as the responsibility for overall security of Israelis for the purpose of safeguarding their internal security and public order.

Article IX
Laws and Military Orders

1. The Council will be empowered to legislate, in accordance with the Interim Agreement, within all authorities transferred to it.

2. Both parties will review jointly laws and military orders presently in force in remaining spheres.

Article X
Joint Israeli-Palestinian Liaison Committee

In order to provide for a smooth implementation of this Declaration of Principles and any subsequent agreements pertaining to the interim period, upon the entry into force of this Declaration of Principles, a Joint Israeli-Palestinian Liaison Committee will be established in order to deal with issues requiring coordination, other issues of common interest, and disputes.

Article XI
Israeli-Palestinian Cooperation in Economic Fields

Recognizing the mutual benefit of cooperation in promoting the development of the West Bank, the Gaza Strip and Israel, upon the entry into force of this Declaration of Principles, an Israeli-Palestinian Economic Cooperation Committee will be established in order to develop and implement in a cooperative manner the programs identified in the protocols attached as Annex III and Annex IV.

Article XII
Liaison and Cooperation with Jordan and Egypt

The two parties will invite the Governments of Jordan and Egypt to participate in establishing further liaison and cooperation arrangements between the Government of Israel and the Palestinian representatives, on the one hand, and the Governments of Jordan and Egypt, on the other hand, to promote cooperation between them. These arrangements will include the constitution of a Continuing Committee that will decide by agreement on the modalities of admission of persons displaced from the West Bank and Gaza Strip in 1967, together with necessary measures to prevent disruption and disorder. Other matters of common concern will be dealt with by this Committee.

Article XIII
Redeployment of Israeli Forces

1. After the entry into force of this Declaration of Principles, and not later than the eve of elections for the Council, a redeployment of Israeli military forces in the West Bank and the Gaza Strip will take place, in addition to withdrawal of Israeli forces carried out in accordance with Article XIV.

2. In redeploying its military forces, Israel will be guided by the principle that its military forces should be redeployed outside populated areas.

3. Further redeployments to specified locations will be gradually implemented commensurate with the assumption of responsibility for public order and internal security by the Palestinian police force pursuant to Article VIII above.

Article XIV
Israeli Withdrawal from the Gaza Strip and Jericho Area

Israel will withdraw from the Gaza Strip and Jericho area, as detailed in the protocol attached as Annex II.

Article XV
Resolution of Disputes

1. Disputes arising out of the application or interpretation of this Declaration of Principles. or any subsequent agreements pertaining to the interim period, shall be resolved by negotiations through the Joint Liaison Committee to be established pursuant to Article X above.

2. Disputes which cannot be settled by negotiations may be resolved by a mechanism of conciliation to be agreed upon by the parties.

3. The parties may agree to submit to arbitration disputes relating to the interim period, which cannot be settled through conciliation. To this end, upon the agreement of both parties, the parties will establish an Arbitration Committee.

Article XVI
Israeli-Palestinian Cooperation Concerning Regional Programs

Both parties view the multilateral working groups as an appropriate instrument for promoting a "Marshall Plan", the regional programs and other programs, including special programs for the West Bank and Gaza Strip, as indicated in the protocol attached as Annex IV.

Article XVII
Miscellaneous Provisions

1. This Declaration of Principles will enter into force one month after its signing.

2. All protocols annexed to this Declaration of Principles and Agreed Minutes pertaining thereto shall be regarded as an integral part hereof.

_____

Done at Washington, D.C., this thirteenth day of September, 1993.

For the Government of Israel: For the P.L.O.:

Witnessed By:

The United States of America: The Russian Federation:

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Annexes

Annex I
Protocol on the Mode and Conditions of Elections

1. Palestinians of Jerusalem who live there will have the right to participate in the election process, according to an agreement between the two sides.

2. In addition, the election agreement should cover, among other things, the following issues:

    a. the system of elections;

    b. the mode of the agreed supervision and international observation and their personal composition; and

    c. rules and regulations regarding election campaign, including agreed arrangements for the organizing of mass media, and the possibility of licensing a broadcasting and TV station.

3. The future status of displaced Palestinians who were registered on 4th June 1967 will not be prejudiced because they are unable to participate in the election process due to practical reasons.

Annex II
Protocol on Withdrawal of Israeli Forces from the Gaza Strip and Jericho Area

1. The two sides will conclude and sign within two months from the date of entry into force of this Declaration of Principles, an agreement on the withdrawal of Israeli military forces from the Gaza Strip and Jericho area. This agreement will include comprehensive arrangements to apply in the Gaza Strip and the Jericho area subsequent to the Israeli withdrawal.

2. Israel will implement an accelerated and scheduled withdrawal of Israeli military forces from the Gaza Strip and Jericho area, beginning immediately with the signing of the agreement on the Gaza Strip and Jericho area and to be completed within a period not exceeding four months after the signing of this agreement.

3. The above agreement will include, among other things:

    a. Arrangements for a smooth and peaceful transfer of authority from the Israeli military government and its Civil Administration to the Palestinian representatives.

    b. Structure, powers and responsibilities of the Palestinian authority in these areas, except: external security, settlements, Israelis, foreign relations, and other mutually agreed matters.

c. Arrangements for the assumption of internal security and public order by the Palestinian police force consisting of police officers recruited locally and from abroad holding Jordanian passports and Palestinian documents issued by Egypt). Those who will participate in the Palestinian police force coming from abroad should be trained as police and police officers.

d. A temporary international or foreign presence, as agreed upon.

e. Establishment of a joint Palestinian-Israeli Coordination and Cooperation Committee for mutual security purposes.

f. An economic development and stabilization program, including the establishment of an Emergency Fund, to encourage foreign investment, and financial and economic support. Both sides will coordinate and cooperate jointly and unilaterally with regional and international parties to support these aims.

g. Arrangements for a safe passage for persons and transportation between the Gaza Strip and Jericho area.

4. The above agreement will include arrangements for coordination between both parties regarding passages:

   a. Gaza - Egypt; and

   b. Jericho - Jordan.

5. The offices responsible for carrying out the powers and responsibilities of the Palestinian authority under this Annex II and Article VI of the Declaration of Principles will be located in the Gaza Strip and in the Jericho area pending the inauguration of the Council.

6. Other than these agreed arrangements, the status of the Gaza Strip and Jericho area will continue to be an integral part of the West Bank and Gaza Strip, and will not be changed in the interim period.

Annex III
Protocol on Israeli-Palestinian Cooperation in Economic and Development Programs

The two sides agree to establish an Israeli-Palestinian continuing Committee for Economic Cooperation, focusing, among other things, on the following:

1. Cooperation in the field of water, including a Water Development Program prepared by experts from both sides, which will also specify the mode of cooperation in the management of water resources in the West Bank and Gaza Strip, and will include proposals for studies and plans on water rights of each party, as well as on the equitable utilization of joint water resources for implementation in and beyond the interim period.

2. Cooperation in the field of electricity, including an Electricity Development Program, which will also specify the mode of cooperation for the production, maintenance, purchase and sale of electricity resources.

3. Cooperation in the field of energy, including an Energy Development Program, which will provide for the exploitation of oil and gas for industrial purposes, particularly in the Gaza Strip and in the Negev, and will encourage further joint exploitation of other energy resources. This Program may also provide for the construction of a Petrochemical industrial complex in the Gaza Strip and the construction of oil and gas pipelines.

4. Cooperation in the field of finance, including a Financial Development and Action Program for the encouragement of international investment in the West Bank and the Gaza Strip, and in Israel, as well as the establishment of a Palestinian Development Bank.

5. Cooperation in the field of transport and communications, including a Program, which will define guidelines for the establishment of a Gaza Sea Port Area, and will provide for the establishing of transport and communications lines to and from the West Bank and the Gaza Strip to Israel and to other countries. In addition, this Program will provide for carrying out the necessary construction of roads, railways, communications lines, etc.

6. Cooperation in the field of trade, including studies, and Trade Promotion Programs, which will encourage local, regional and inter-regional trade, as well as a feasibility study of creating free trade zones in the Gaza Strip and in Israel, mutual access to these zones, and cooperation in other areas related to trade and commerce.

7. Cooperation in the field of industry, including Industrial Development Programs, which will provide for the establishment of joint Israeli- Palestinian Industrial Research and Development Centers, will promote Palestinian-Israeli joint ventures, and provide guidelines for cooperation in the textile, food, pharmaceutical, electronics, diamonds, computer and science-based industries.

8. A program for cooperation in, and regulation of, labor relations and cooperation in social welfare issues.

9. A Human Resources Development and Cooperation Plan, providing for joint Israeli-Palestinian workshops and seminars, and for the establishment of joint vocational training centers, research institutes and data banks.

10. An Environmental Protection Plan, providing for joint and/or coordinated measures in this sphere.

11. A program for developing coordination and cooperation in the field of communication and media.

12. Any other programs of mutual interest.

Annex IV

Protocol on Israeli-Palestinian Cooperation Concerning Regional Development Programs

1. The two sides will cooperate in the context of the multilateral peace efforts in promoting a Development Program for the region, including the West Bank and the Gaza Strip, to be initiated by the G-7. The parties will request the G-7 to seek the participation in this program of other interested states, such as members of the Organization for Economic Cooperation and Development, regional Arab states and institutions, as well as members of the private sector.

2. The Development Program will consist of two elements:

   a. An Economic Development Program for the 'West Bank and the Gaza Strip.

   b. a Regional Economic Development Program:

      A. The Economic Development Program for the West Bank and the Gaza strip will consist of the following elements:
         (1) A Social Rehabilitation Program, including a Housing and Construction Program.
         (2) A Small and Medium Business Development Plan.
         (3) An Infrastructure Development Program (water, electricity, transportation and communications, etc.).
         (4) A Human Resources Plan.
         (5) Other programs.

      B. The Regional Economic Development Program may consist of the following elements:
         (1) The establishment of a Middle East Development Fund, as a first step, and a Middle East Development Bank, as a second step.
         (2) The development of a joint Israeli-Palestinian-Jordanian Plan for coordinated exploitation of the Dead Sea area.
         (3) The Mediterranean Sea (Gaza) - Dead Sea Canal.
         (4) Regional Desalinization and other water development projects.
         (5) A regional plan for agricultural development, including a coordinated regional effort for the prevention of desertification.
         (6) Interconnection of electricity grids.
         (7) Regional cooperation for the transfer, distribution and industrial exploitation of gas, oil and other energy resources.
         (8) A Regional Tourism, Transportation and Telecommunications Development Plan.
         (9) Regional cooperation in other spheres.

3. The two sides will encourage the multilateral working groups, and will coordinate towards their success. The two parties will encourage intercessional activities, as well as pre-feasibility and feasibility studies, within the various multilateral working groups.

Agreed Minutes to the Declaration of Principles on Interim Self-Government Arrangements

A. General Understandings and Agreements

Any powers and responsibilities transferred to the Palestinians pursuant to the Declaration of Principles prior to the inauguration of the Council will be subject to the same principles pertaining to Article IV, as set out in these Agreed Minutes below.

B. Specific Understandings and Agreements

Article IV

It is understood that:

1. Jurisdiction of the Council will cover West Bank and Gaza Strip territory, except for issues that will be negotiated in the permanent status negotiations: Jerusalem, settlements, military locations, and Israelis.

2. The Council's jurisdiction will apply with regard to the agreed powers, responsibilities, spheres and authorities transferred to it.

Article VI (2)

It is agreed that the transfer of authority will be as follows:

1. The Palestinian side will inform the Israeli side of the names of the authorised Palestinians who will assume the powers, authorities and responsibilities that will be transferred to the Palestinians according to the Declaration of Principles in the following fields: education and culture, health, social welfare, direct taxation, tourism, and any other authorities agreed upon.

2. It is understood that the rights and obligations of these offices will not be affected.

3. Each of the spheres described above will continue to enjoy existing budgetary allocations in accordance with arrangements to be mutually agreed upon. These arrangements also will provide for the necessary adjustments required in order to take into account the taxes collected by the direct taxation office.

4. Upon the execution of the Declaration of Principles, the Israeli and Palestinian delegations will immediately commence negotiations on a detailed plan for the transfer of authority on the above offices in accordance with the above understandings.

Article VII (2)

The Interim Agreement will also include arrangements for coordination and cooperation.

Article VII (5)

The withdrawal of the military government will not prevent Israel from exercising the powers and responsibilities not transferred to the Council.

Article VIII

It is understood that the Interim Agreement will include arrangements for cooperation and coordination between the two parties in this regard. It is also agreed that the transfer of powers and responsibilities to the Palestinian police will be accomplished in a phased manner, as agreed in the Interim Agreement.

Article X

It is agreed that, upon the entry into force of the Declaration of Principles, the Israeli and Palestinian delegations will exchange the names of the individuals designated by them as members of the Joint Israeli-Palestinian Liaison Committee.

It is further agreed that each side will have an equal number of members in the Joint Committee. The Joint Committee will reach decisions by agreement. The Joint Committee may add other technicians and experts, as necessary. The Joint Committee will decide on the frequency and place or places of its meetings.

Annex II

It is understood that, subsequent to the Israeli withdrawal, Israel will continue to be responsible for external security, and for internal security and public order of settlements and Israelis. Israeli military forces and civilians may continue to use roads freely within the Gaza Strip and the Jericho area.



Government of Israel

Agreement on the Gaza Strip and the Jericho Area

Cairo, May 4, 1994

Ministry of Foreign Affairs
Jerusalem

Agreement on the Gaza Strip and the Jericho Area[3]

Cairo, May 4, 1994

Preamble

Within the framework of the Middle East peace process initiated at Madrid in October 1991;

Reaffirming their determination to live in peaceful coexistence, mutual dignity and security, while recognizing their mutual legitimate and political rights;

Reaffirming their desire to achieve a just, lasting and comprehensive peace settlement through the agreed political process;

Reaffirming their adherence to the mutual recognition and commitments expressed in the letters dated September 9, 1993, signed by and exchanged between the Prime Minister of Israel and the Chairman of the PLO;

Reaffirming their understanding that the interim self-government arrangements, including the arrangements to apply in the Gaza Strip and the Jericho Area contained in this Agreement, are an integral part of the whole peace process and that the negotiations on the permanent status will lead to the implementation of Security Council Resolutions 242 and 338;

Desirous of putting into effect the Declaration of Principles on Interim Self-Government Arrangements signed at Washington, D.C. on September 13, 1993, and the Agreed Minutes thereto (hereinafter "the Declaration of Principles"), and in particular the Protocol on withdrawal of Israeli forces from the Gaza Strip and the Jericho Area;

Hereby agree to the following arrangements regarding the Gaza Strip and the Jericho Area:

Article I
Definitions

For the purpose of this Agreement:

a. The Gaza Strip and the Jericho Area are delineated on map No. 1 and map No. 2 attached to this Agreement;

b. "The Settlements" means the Gush Katif and Erez settlement areas, as well as the other settlements in the Gaza Strip, as shown on attached map No. 1;

c. "The Military Installation Area" means the Israeli military installation area along the Egyptian border in the Gaza Strip, as shown on map No. 1; and

[3] from:
http://snipurl.com/27b251p

d. The term "Israelis" shall also include Israeli statutory agencies and corporations registered in Israel.

Article II
Scheduled Withdrawal of Israeli Military Forces

1. Israel shall implement an accelerated and scheduled withdrawal of Israeli military forces from the Gaza Strip and from the Jericho Area to begin immediately with the signing of this Agreement. Israel shall complete such withdrawal within three weeks from this date.

2. Subject to the arrangements included in the Protocol Concerning Withdrawal of Israeli Military Forces and Security Arrangements attached as Annex I , the Israeli withdrawal shall include evacuating all military bases and other fixed installations to be handed over to the Palestinian Police, to be established pursuant to Article IX below (hereinafter "the Palestinian Police").

3. In order to carry out Israel's responsibility for external security and for internal security and public order of Settlements and Israelis, Israel shall, concurrently with the withdrawal, redeploy its remaining military forces to the Settlements and the Military Installation Area, in accordance with the provisions of this Agreement. Subject to the provisions of this Agreement, this redeployment shall constitute full implementation of Article XIII of the Declaration of Principles with regard to the Gaza Strip and the Jericho Area only.

4. For the purposes of this Agreement, "Israeli military forces" may include Israel police and other Israeli security forces.

5. Israelis, including Israeli military forces, may continue to use roads freely within the Gaza Strip and the Jericho Area. Palestinians may use public roads crossing the Settlements freely, as provided for in Annex I.

6. The Palestinian Police shall be deployed and shall assume responsibility for public order and internal security of Palestinians in accordance with this Agreement and Annex I.

Article III
Transfer of Authority

1. Israel shall transfer authority as specified in this Agreement from the Israeli military government and its Civil Administration to the Palestinian Authority, hereby established, in accordance with Article V of this Agreement, except for the authority that Israel shall continue to exercise as specified in this Agreement.

2. As regards the transfer and assumption of authority in civil spheres, powers and responsibilities shall be transferred and assumed as set out in the Protocol Concerning Civil Affairs attached as Annex II.

3. Arrangements for a smooth and peaceful transfer of the agreed powers and responsibilities are set out in Annex II.

4. Upon the completion of the Israeli withdrawal and the transfer of powers and responsibilities as detailed in paragraphs 1 and 2 above and in Annex II, the Civil Administration in the Gaza Strip and the Jericho Area will be dissolved and the Israeli military government will be withdrawn. The withdrawal of the military government shall not prevent it from continuing to exercise the powers and responsibilities specified in this Agreement.

5. A Joint Civil Affairs Coordination and Cooperation Committee (hereinafter "the CAC") and two Joint Regional Civil Affairs Subcommittees for the Gaza Strip and the Jericho Area respectively shall be established in order to provide for coordination and cooperation in civil affairs between the Palestinian Authority and Israel, as detailed in Annex II.

6. The offices of the Palestinian Authority shall be located in the Gaza Strip and the Jericho Area pending the inauguration of the Council to be elected pursuant to the Declaration of Principles.

Article IV
Structure and Composition of the Palestinian Authority

1. The Palestinian Authority will consist of one body of 24 members which shall carry out and be responsible for all the legislative and executive powers and responsibilities transferred to it under this Agreement, in accordance with this Article, and shall be responsible for the exercise of judicial functions in accordance with Article VI, subparagraph 1.b. of this Agreement.

2. The Palestinian Authority shall administer the departments transferred to it and may establish, within its jurisdiction, other departments and subordinate administrative units as necessary for the fulfillment of its responsibilities. It shall determine its own internal procedures.

3. The PLO shall inform the Government of Israel of the names of the members of the Palestinian Authority and any change of members. Changes in the membership of the Palestinian Authority will take effect upon an exchange of letters between the PLO and the Government of Israel.

4. Each member of the Palestinian Authority shall enter into office upon undertaking to act in accordance with this Agreement.

Article V
Jurisdiction

1. The authority of the Palestinian Authority encompasses all matters that fall within its territorial, functional and personal jurisdiction, as follows:

    a. The territorial jurisdiction covers the Gaza Strip and the Jericho Area territory, as defined in Article I, except for Settlements and the Military Installation Area. Territorial jurisdiction

shall include land, subsoil and territorial waters, in accordance with the provisions of this Agreement.

b. The functional jurisdiction encompasses all powers and responsibilities as specified in this Agreement. This jurisdiction does not include foreign relations, internal security and public order of Settlements and the Military Installation Area and Israelis, and external security.

c. The personal jurisdiction extends to all persons within the territorial jurisdiction referred to above, except for Israelis, unless otherwise provided in this Agreement.

2. The Palestinian Authority has, within its authority, legislative, executive and judicial powers and responsibilities, as provided for in this Agreement.

3.

a. Israel has authority over the Settlements, the Military Installation Area, Israelis, external security, internal security and public order of Settlements, the Military Installation Area and Israelis, and those agreed powers and responsibilities specified in this Agreement.

b. Israel shall exercise its authority through its military government, which, for that end, shall continue to have the necessary legislative, judicial and executive powers and responsibilities, in accordance with international law. This provision shall not derogate from Israel's applicable legislation over Israelis in personam.

4. The exercise of authority with regard to the electromagnetic sphere and airspace shall be in accordance with the provisions of this Agreement.

5. The provisions of this Article are subject to the specific legal arrangements detailed in the Protocol Concerning Legal Matters attached as Annex III. Israel and the Palestinian Authority may negotiate further legal arrangements.

6. Israel and the Palestinian Authority shall cooperate on matters of legal assistance in criminal and civil matters through the legal subcommittee of the CAC.

Article VI
Powers and Responsibilities of the Palestinian Authority

1. Subject to the provisions of this Agreement, the Palestinian Authority, within its jurisdiction:

a. has legislative powers as set out in Article VII of this Agreement, as well as executive powers;

b. will administer justice through an independent judiciary;

c. will have, inter alia, power to formulate policies, supervise their implementation, employ staff, establish departments, authorities and institutions, sue and be sued and conclude contracts; and

d. Will have, inter alia, the power to keep and administer registers and records of the population, and issue certificates, licenses and documents.

2.

a. In accordance with the Declaration of Principles, the Palestinian Authority will not have powers and responsibilities in the sphere of foreign relations, which sphere includes the establishment abroad of embassies, consulates or other types of foreign missions and posts or permitting their establishment in the Gaza Strip or the Jericho Area, the appointment of or admission of diplomatic and consular staff, and the exercise of diplomatic functions.

b. Notwithstanding the provisions of this paragraph, the PLO may conduct negotiations and sign agreements with states or international organizations for the benefit of the Palestinian Authority in the following cases only:
   (1) economic agreements, as specifically provided in Annex IV of this Agreement;
   (2) agreements with donor countries for the purpose of implementing arrangements for the provision of assistance to the Palestinian Authority;
   (3) agreements for the purpose of implementing the regional development plans detailed in Annex IV of the Declaration of Principles or in agreements entered into in the framework of the multilateral negotiations; and
   (4) cultural, scientific and educational agreements.

c. Dealings between the Palestinian Authority and representatives of foreign states and international organizations, as well as the establishment in the Gaza Strip and the Jericho Area of representative offices other than those described in subparagraph 2.a. above, for the purpose of implementing the agreements referred to in subparagraph 2.b. above, shall not be considered foreign relations.

Article VII
Legislative Powers of the Palestinian Authority

1. The Palestinian Authority will have the power, within its jurisdiction, to promulgate legislation, including basic laws, laws, regulations and other legislative acts.

2. Legislation promulgated by the Palestinian Authority shall be consistent with the provisions of this Agreement.

3. Legislation promulgated by the Palestinian Authority shall be communicated to a legislation subcommittee to be established by the CAC (hereinafter "the Legislation Subcommittee"). During a period of 30 days from the communication of the legislation, Israel may request that the Legislation Subcommittee decide whether such legislation exceeds the jurisdiction of the Palestinian Authority or is otherwise inconsistent with the provisions of this Agreement.

4. Upon receipt of the Israeli request, the Legislation Subcommittee shall decide, as an initial matter, on the entry into force of the legislation pending its decision on the merits of the matter.

5. If the Legislation Subcommittee is unable to reach a decision with regard to the entry into force of the legislation within 15 days, this issue will be referred to a board of review. This board of review shall be comprised of two judges, retired judges or senior jurists (hereinafter "Judges"), one from each side, to be appointed from a compiled list of three Judges proposed by each.

6. In order to expedite the proceedings before this board of review, the two most senior Judges, one from each side, shall develop written informal rules of procedure.

7. Legislation referred to the board of review shall enter into force only if the board of review decides that it does not deal with a security issue which falls under Israel's responsibility, that it does not seriously threaten other significant Israeli interests protected by this Agreement and that the entry into force of the legislation could not cause irreparable damage or harm.

8. The Legislation Subcommittee shall attempt to reach a decision on the merits of the matter within 30 days from the date of the Israeli request. If this Subcommittee is unable to reach such a decision within this period of 30 days, the matter shall be referred to the Joint Israeli-Palestinian Liaison Committee referred to in Article XV below (hereinafter "the Liaison Committee"). This Liaison Committee will deal with the matter immediately and will attempt to settle it within 30 days.

9. Where the legislation has not entered into force pursuant to paragraphs 5 or 7 above, this situation shall be maintained pending the decision of the Liaison Committee on the merits of the matter, unless it has decided otherwise.

10. Laws and military orders in effect in the Gaza Strip or the Jericho Area prior to the signing of this Agreement shall remain in force, unless amended or abrogated in accordance with this Agreement.

Article VIII
Arrangements for Security and Public Order

1. In order to guarantee public order and internal security for the Palestinians of the Gaza Strip and the Jericho Area, the Palestinian Authority shall establish a strong police force, as set out in Article IX below. Israel shall continue to carry the responsibility for defense against external threats, including the responsibility for protecting the Egyptian border and the Jordanian line, and for defense against external threats from the sea and from the air, as well as the responsibility for overall security of Israelis and Settlements, for the purpose of safeguarding their internal security and public order, and will have all the powers to take the steps necessary to meet this responsibility.

2. Agreed security arrangements and coordination mechanisms are specified in Annex I.

3. A joint Coordination and Cooperation Committee for mutual security purposes (hereinafter "the JSC"), as well as three joint District Coordination and Cooperation Offices for the Gaza district,

the Khan Yunis district and the Jericho district respectively (hereinafter "the DCOs") are hereby established as provided for in Annex I.

4. The security arrangements provided for in this Agreement and in Annex I may be reviewed at the request of either Party and may be amended by mutual agreement of the Parties. Specific review arrangements are included in Annex I.

Article IX
The Palestinian Directorate of Police Force

1. The Palestinian Authority shall establish a strong police force, the Palestinian Directorate of Police Force (hereinafter "the Palestinian Police"). The duties, functions, structure, deployment and composition of the Palestinian Police, together with provisions regarding its equipment and operation, are set out in Annex I, Article III. Rules of conduct governing the activities of the Palestinian Police are set out in Annex I, Article VIII.

2. Except for the Palestinian Police referred to in this Article and the Israeli military forces, no other armed forces shall be established or operate in the Gaza Strip or the Jericho Area.

3. Except for the arms, ammunition and equipment of the Palestinian Police described in Annex I, Article III, and those of the Israeli military forces, no organization or individual in the Gaza Strip and the Jericho Area shall manufacture, sell, acquire, possess, import or otherwise introduce into the Gaza Strip or the Jericho Area any firearms, ammunition, weapons, explosives, gunpowder or any related equipment, unless otherwise provided for in Annex I.

Article X
Passages

Arrangements for coordination between Israel and the Palestinian Authority regarding the Gaza-Egypt and Jericho-Jordan passages, as well as any other agreed international crossings, are set out in Annex I, Article X.

Article XI
Safe Passage between the Gaza Strip and the Jericho Area

Arrangements for safe passage of persons and transportation between the Gaza Strip and the Jericho Area are set out in Annex I, Article IX.

Article XII
Relations between Israel and the Palestinian Authority

1. Israel and the Palestinian Authority shall seek to foster mutual understanding and tolerance and shall accordingly abstain from incitement, including hostile propaganda, against each other and, without derogating from the principle of freedom of expression, shall take legal measures to prevent such incitement by any organizations, groups or individuals within their jurisdiction.

2. Without derogating from the other provisions of this Agreement, Israel and the Palestinian Authority shall cooperate in combatting criminal activity which may affect both sides, including offenses related to trafficking in illegal drugs and psychotropic substances, smuggling, and offenses against property, including offenses related to vehicles.

Article XIII
Economic Relations

The economic relations between the two sides are set out in the Protocol on Economic Relations signed in Paris on April 29, 1994 and the Appendices thereto, certified copies of which are attached as Annex IV, and will be governed by the relevant provisions of this Agreement and its Annexes.

Article XIV
Human Rights and the Rule of Law

Israel and the Palestinian Authority shall exercise their powers and responsibilities pursuant to this Agreement with due regard to internationally-accepted norms and principles of human rights and the rule of law.

Article XV
The Joint Israeli-Palestinian Liaison Committee

1. The Liaison Committee established pursuant to Article X of the Declaration of Principles shall ensure the smooth implementation of this Agreement. It shall deal with issues requiring coordination, other issues of common interest and disputes.

2. The Liaison Committee shall be composed of an equal number of members from each Party. It may add other technicians and experts as necessary.
3. The Liaison Committee shall adopt its rules of procedure, including the frequency and place or places of its meetings.

4. The Liaison Committee shall reach its decisions by Agreement.

Article XVI
Liaison and Cooperation with Jordan and Egypt

1. Pursuant to Article XII of the Declaration of Principles, the two Parties shall invite the Governments of Jordan and Egypt to participate in establishing further liaison and cooperation arrangements between the Government of Israel and the Palestinian representatives on the one hand, and the Governments of Jordan and Egypt on the other hand, to promote cooperation between them. These arrangements shall include the constitution of a Continuing Committee.

2. The Continuing Committee shall decide by agreement on the modalities of admission of persons displaced from the West Bank and the Gaza Strip in 1967, together with necessary measures to prevent disruption and disorder.

3. The Continuing Committee shall deal with other matters of common concern.

Article XVII
Settlement of Differences and Disputes

Any difference relating to the application of this Agreement shall be referred to the appropriate coordination and cooperation mechanism established under this Agreement. The provisions of Article XV of the Declaration of Principles shall apply to any such difference which is not settled through the appropriate coordination and cooperation mechanism, namely:

1. Disputes arising out of the application or interpretation of this Agreement or any subsequent agreements pertaining to the interim period shall be settled by negotiations through the Liaison Committee.

2. Disputes which cannot be settled by negotiations may be settled by a mechanism of conciliation to be agreed between the Parties.

3. The Parties may agree to submit to arbitration disputes relating to the interim period, which cannot be settled through conciliation. To this end, upon the agreement of both Parties, the Parties will establish an Arbitration Committee.

Article XVIII
Prevention of Hostile Acts

Both sides shall take all measures necessary in order to prevent acts of terrorism, crime and hostilities directed against each other, against individuals falling under the other's authority and against their property, and shall take legal measures against offenders. In addition, the Palestinian side shall take all measures necessary to prevent such hostile acts directed against the Settlements, the infrastructure serving them and the Military Installation Area, and the Israeli side shall take all measures necessary to prevent such hostile acts emanating from the Settlements and directed against Palestinians.

Article XIX
Missing Persons

The Palestinian Authority shall cooperate with Israel by providing all necessary assistance in the conduct of searches by Israel within the Gaza Strip and the Jericho Area for missing Israelis, as well as by providing information about missing Israelis. Israel shall cooperate with the Palestinian Authority in searching for, and providing necessary information about, missing Palestinians.

Article XX
Confidence Building Measures

With a view to creating a positive and supportive public atmosphere to accompany the implementation of this Agreement, and to establish a solid basis of mutual trust and good faith, both Parties agree to carry out confidence building measures as detailed herewith:

1. Upon the signing of this Agreement, Israel will release, or turn over, to the Palestinian Authority within a period of 5 weeks, about 5,000 Palestinian detainees and prisoners, residents of the West Bank and the Gaza Strip. Those released will be free to return to their homes anywhere in the West Bank or the Gaza Strip. Prisoners turned over to the Palestinian Authority shall be obliged to remain in the Gaza Strip or the Jericho Area for the remainder of their sentence.

2. After the signing of this Agreement, the two Parties shall continue to negotiate the release of additional Palestinian prisoners and detainees, building on agreed principles.

3. The implementation of the above measures will be subject to the fulfillment of the procedures determined by Israeli law for the release and transfer of detainees and prisoners.

4. With the assumption of Palestinian authority, the Palestinian side commits itself to solving the problem of those Palestinians who were in contact with the Israeli authorities. Until an agreed solution is found, the Palestinian side undertakes not to prosecute these Palestinians or to harm them in any way.

5. Palestinians from abroad whose entry into the Gaza Strip and the Jericho Area is approved pursuant to this Agreement, and to whom the provisions of this Article are applicable, will not be prosecuted for offenses committed prior to September 13, 1993.

Article XXI
Temporary International Presence

1. The Parties agree to a temporary international or foreign presence in the Gaza Strip and the Jericho Area (hereinafter "the TIP"), in accordance with the provisions of this Article.

2. The TIP shall consist of 400 qualified personnel, including observers, instructors and other experts, from 5 or 6 of the donor countries.

3. The two Parties shall request the donor countries to establish a special fund to provide finance for the TIP.

4. The TIP will function for a period of 6 months. The TIP may extend this period, or change the scope of its operation, with the agreement of the two Parties.

5. The TIP shall be stationed and operate within the following cities and villages: Gaza, Khan Yunis, Rafah, Deir El Ballah, Jabaliya, Absan, Beit Hanun and Jericho.

6. Israel and the Palestinian Authority shall agree on a special Protocol to implement this Article, with the goal of concluding negotiations with the donor countries contributing personnel within two months.

Article XXII
Rights, Liabilities and Obligations

1.
   a. The transfer of all powers and responsibilities to the Palestinian Authority, as detailed in Annex II, includes all related rights, liabilities and obligations arising with regard to acts or omissions which occurred prior to the transfer. Israel will cease to bear any financial responsibility regarding such acts or omissions and the Palestinian Authority will bear all financial responsibility for these and for its own functioning.

   b. Any financial claim made in this regard against Israel will be referred to the Palestinian Authority.

   c. Israel shall provide the Palestinian Authority with the information it has regarding pending and anticipated claims brought before any court or tribunal against Israel in this regard.

   d. Where legal proceedings are brought in respect of such a claim, Israel will notify the Palestinian Authority and enable it to participate in defending the claim and raise any arguments on its behalf.

   e. In the event that an award is made against Israel by any court or tribunal in respect of such a claim, the Palestinian Authority shall reimburse Israel the full amount of the award.
   f. Without prejudice to the above, where a court or tribunal hearing such a claim finds that liability rests solely with an employee or agent who acted beyond the scope of the powers assigned to him or her, unlawfully or with willful malfeasance, the Palestinian Authority shall not bear financial responsibility.

2. The transfer of authority in itself shall not affect rights, liabilities and obligations of any person or legal entity, in existence at the date of signing of this Agreement.

Article XXIII
Final Clauses

1. This Agreement shall enter into force on the date of its signing.

2. The arrangements established by this Agreement shall remain in force until and to the extent superseded by the Interim Agreement referred to in the Declaration of Principles or any other agreement between the Parties.

3. The five-year interim period referred to in the Declaration of Principles commences on the date of the signing of this Agreement.

4. The Parties agree that, as long as this Agreement is in force, the security fence erected by Israel around the Gaza Strip shall remain in place and that the line demarcated by the fence, as shown on attached map No. 1, shall be authoritative only for the purpose of this Agreement.

5. Nothing in this Agreement shall prejudice or preempt the outcome of the negotiations on the interim agreement or on the permanent status to be conducted pursuant to the Declaration of Principles. Neither Party shall be deemed, by virtue of having entered into this Agreement, to have renounced or waived any of its existing rights, claims or positions.

6. The two Parties view the West Bank and the Gaza Strip as a single territorial unit, the integrity of which will be preserved during the interim period.

7. The Gaza Strip and the Jericho Area shall continue to be an integral part of the West Bank and the Gaza Strip, and their status shall not be changed for the period of this Agreement. Nothing in this Agreement shall be considered to change this status.

8. The Preamble to this Agreement, and all Annexes, Appendices and maps attached hereto, shall constitute an integral part hereof.

_____

Done in Cairo this fourth day of May, 1994.

For the Government of the State of Israel: _____

For the PLO: _____

Witnessed By:

The United States of America
The Russian Federation
The Arab Republic of Egypt

ANNEX I

Protocol Concerning Withdrawal of Israeli Military Forces and Security Arrangements

Article I
Arrangements for Withdrawal of Israeli Military Forces

1. Subject to the provisions of this Annex, withdrawal of Israeli military forces from the Gaza Strip and from the Jericho Area shall begin on the date of the signing of this Agreement and shall be completed within three weeks (21 days) from that date.

2.
   a. The Joint Security Coordination and Cooperation Committee set up under Article II hereunder shall develop a plan to ensure full coordination between the Israeli military forces and the Palestinian Police during the withdrawal phases and the entry and deployment of the Palestinian Police.

   b. This coordination will be implemented through the District Coordination Offices set up under Article II hereunder, that shall start functioning on the date of the signing of this Agreement.

   c. The plan will include arrangements for the entry of the Palestinian Police, the introduction of police arms, ammunition and equipment and related matters, as well as arrangements intended to facilitate a smooth transfer of responsibility, including the transfer of civil authority, so that no vacuum in authority exists.

Article II
Coordination and Cooperation in Security Matters

1. Joint Security Coordination and Cooperation Committee

   a. A joint Security Coordination and Cooperation Committee for Mutual Security Purposes (hereinafter "the JSC") is hereby established.

   b. The JSC shall:
      (1) recommend security policy guidelines for the approval of the Joint Israeli- Palestinian Liaison Committee and implement such approved guidelines;
      (2) deal with security issues raised by either side;
      (3) provide the proper channel for exchanging information between the two sides, needed to solve security problems;
      and
      (4) Provide directives for the District Coordination Offices.

c. The JSC shall comprise between five and seven members from each side. Decisions of the JSC will be reached by agreement between the two sides.

d. The JSC shall determine its rules of procedure. Meetings of the JSC shall be held every two weeks. In the event that either side requests a special meeting, it shall be convened within forty-eight (48) hours.

e. Unless otherwise agreed by the two sides, JSC meetings will be hosted by each of the sides alternately.

2. District Coordination Offices

a. Three (3) District Coordination Offices are hereby established, one each for the districts of Gaza, Khan Yunis and Jericho (hereinafter "the DCOs").

b. The DCOs shall:
   (1) monitor and manage the matters requiring coordination as determined by the JSC, according to the policy and guidelines established by the JSC;
   (2) monitor and manage all matters of a joint nature within the specific district of each DCO, including the coordination of activities by one side which may affect the other side;
   (3) review, investigate and report to the JSC on the overall situation within the DCO's respective district, with special regard to specific events, incidents and activities occurring in the district;
   (4) direct the Joint Patrols and Joint Mobile Units as defined in this Article, operating within the DCO's respective district; and
   (5) direct the Liaison Bureau established under Article X below, operating at passages and crossing points as detailed in Article VII and X below, in conjunction with the Joint Civil Affairs Coordination and Cooperation Committee set up under Annex II to the Agreement (hereinafter the "CAC").

c. Each DCO will be continuously staffed by a team of up to six officers from each side, comprising one commander and five duty officers.

d. The DCOs will be operated jointly by both sides, 24 hours a day. At least one duty officer from each side will be present during each eight-hour shift, as well as the necessary number of assistants.

e. With a view to preventing friction and to enabling the two sides to deal with possible incidents, both sides shall ensure that the relevant DCO shall immediately be notified of any of the following events:
   (1) Routine, scheduled or irregular activity or deployment by the Israeli military forces or the Palestinian Police that directly affect the other side. This includes activity or deployment in the proximity of Settlements or Palestinian villages, as the case may be;
   (2) events that pose a threat to public order;

(3) activities which disturb the regular flow of traffic on the main roads, including roadblocks and road works;
(4) incidents involving both Israelis and Palestinians, such as road accidents, rescue of casualties or persons in mortal danger, engagement steps or any incident in which a weapon is used;
(5) a terrorist action of any kind and from any source;
(6) infiltrations across the lines of the Gaza Strip and the Jericho Area; and
(7) All cases in which Israelis are hospitalized in the Gaza Strip or the Jericho Area or in which Palestinians of the Gaza Strip or the Jericho Area are hospitalized in Israel.

f. Each DCO shall notify the relevant Israeli and Palestinian headquarters, as well as the Joint Patrols and Joint Mobile Units operating in the relevant district, of the occurrence of any of the events listed in subparagraph e. above.

g. The JSC may modify the content of the list of events outlined in subparagraph e. above.

h. Any event involving injury to Israelis, at any location within the Gaza Strip or the Jericho Area, shall be immediately reported to Israel through the relevant DCO. Israel may employ any means necessary for the evacuation and treatment of such injured persons, and will coordinate such activity through the relevant DCO.

i. The DCOs shall be equipped with the necessary means of communication to enable direct and immediate contact both with the Joint Patrols and the Joint Mobile Units, as well as with the respective district headquarters.

3. Joint Patrols

a. The mission of the Joint Patrols is to ensure free, unimpeded and secure movement along the roads and in the areas described in Articles IV and V of this Annex.

b. Unless the JSC decides otherwise, the Joint Patrols shall each be composed of two 4-wheel drive vehicles, one Palestinian and one Israeli. The vehicles shall be marked so as to be easily distinguishable from all other vehicles in the area. There will be four persons in each vehicle: an officer, a signal operator, a driver and a guard.

c. The Joint Patrols will patrol 24 hours a day, in vehicles and on foot, along their routes of activity and on the adjacent sides of the roads upon which the security of traffic along these roads is dependent, or as directed by the DCO.

d. In roads under Israeli security responsibility, the Israeli vehicle will be the leading vehicle. In roads under Palestinian security responsibility, the Palestinian vehicle will be the leading vehicle. The Joint Patrol will be under the direction of the relevant DCO.

e. The Joint Patrols shall monitor continuously movement within their area of operation with a view to preventing incidents that may threaten or endanger persons using the roads. They

shall report any such incident or threat thereof to the relevant DCO, and to the Israeli and Palestinian district headquarters.

f. On reaching the scene of an incident, the Joint Patrol will provide as much assistance as possible. Where the incident is dealt with by the authorities functioning in the area, the Joint Patrol shall verify that the appropriate measures have been taken and report to the relevant DCO accordingly.

g. Immediately upon becoming aware of the occurrence of one of the events listed in subparagraph 2.e above, the Joint Patrols shall report the event to the relevant DCO, as well as to the respective headquarters of the two sides.

4. Joint Mobile Units

a. The mission of the Joint Mobile Units is to provide rapid response in the event of incidents and emergency situations, in order to ensure free, unimpeded and secure movement at the junctions where they are located, as well as along their designated routes of activity.

b. The composition of the Joint Mobile Units shall be similar to that of the Joint Patrols.

c. The duties of the Joint Mobile Units are:
   (1) to monitor movement along designated roads from stationary locations on agreed junctions, from where they may patrol at random on agreed roads as directed by the relevant DCO, in which case their duties shall be the same as those of Joint Patrols; and
   (2) In the event of an incident involving both Israelis and Palestinians, to reach the site of the incident in order to provide assistance and to investigate.

5. Review of Security Arrangements

The JSC shall meet six months after the signing of this Agreement, and at six-month intervals thereafter, to review the security arrangements and to recommend changes. Amendments will be adopted by mutual agreement based, among other factors, on the regular reports and recommendations received from the DCOs.

Article III
The Palestinian Directorate of Police Force

1. General

The Palestinian Directorate of Police Force (hereinafter "the Palestinian Police") shall function in accordance with the following principles:

a. It will be responsible for public order and internal security within the jurisdiction of the Palestinian Authority in accordance with Article V of the Agreement.

b. Movement of Palestinian policemen between the Gaza Strip and the Jericho Area will be conducted in accordance with Article IX of this Annex.

2. Duties and Functions

a. Subject to the provisions of this Agreement, in the areas under Palestinian jurisdiction the duties of the Palestinian Police shall be as follows:
   (1) performing normal police functions, including maintaining internal security and public order;
   (2) protecting the public and its property and acting to provide a feeling of security and safety;
   (3) adopting all measures necessary for preventing crime in accordance with the law; and
   (4) Protecting public installations and places of special importance.

3. Structure and Composition

a. The Palestinian Police shall consist of one integral unit under the control of the Palestinian Authority. It shall be composed of four branches:
   (1) Civil Police (Al Shurta);
   (2) Public Security;
   (3) Intelligence; and
   (4) Emergency Services and Rescue (Al Difa'a Al Madani).

   In each district, all members of the four Police branches shall be subordinate to one central command.

b. The Palestinian Police will establish a Palestinian Coastal Police unit (hereinafter the "Palestinian Coastal Police") in accordance with Article XI of this Annex.

c. The Palestinian Police will be comprised of up to 9,000 policemen in all its branches.

4. Recruitment

a. The Palestinian Police shall consist of policemen recruited locally, and from abroad (from among individuals holding Jordanian passports or Palestinian documents issued by Egypt). The number of Palestinian recruits from abroad shall not exceed 7,000, of whom 1,000 will arrive three months after the signing of the Agreement.

b. Palestinians recruited from abroad should be trained as policemen. The employment of policemen who have been convicted of serious crimes or have been found to be actively involved in terrorist activities subsequent to their employment will be immediately terminated. The list of Palestinians recruited, whether locally or from abroad, shall be agreed on by both sides.

c. Palestinian policemen coming from abroad may be accompanied by spouse and children.

5. Arms, Ammunition and Equipment

   a. Uniformed policemen, as well as other policemen on duty who hold special accreditation, may carry arms.

   b. The Palestinian Police will possess the following arms and equipment:
      (1) 7,000 light personal weapons.
      (2) Up to 120 machine guns of 0.3" or 0.5" caliber.
      (3) Up to 45 wheeled armored vehicles of a type to be agreed on between the two sides, and of which 22 will be deployed in protecting Palestinian Authority installations. The use of wheeled armored vehicles in the Security Perimeter, on the Lateral Roads and on their adjacent sides, or in the vicinity of the Settlements shall be approved through the relevant DCO. Movement of such vehicles along the central North-South road (Road No. 4) in the Gaza Strip may take place only after providing notification to the relevant DCO.
      (4) Communication systems, subject to Article II of Annex II of this Agreement.
      (5) Distinctive uniforms, identification badges and vehicle markings.

   c. Relevant police equipment and infrastructure funded from the budget of the Civil Administration shall be transferred to the Palestinian Police.

6. Introduction of Arms and Equipment and Foreign Assistance

   a. All foreign contributions and other forms of assistance to the Palestinian Police must comply with the provisions of this Agreement.

   b. The introduction into the Gaza Strip or the Jericho Area of arms, ammunition or equipment for the Palestinian Police, from all sources, shall be coordinated through the JSC.

7. Deployment

   The Palestinian Police shall be initially deployed in the Gaza Strip and the Jericho Area as shown on attached maps Nos. 4 and 5. Any changes to this deployment will be agreed on in the JSC.

Article IV
Security Arrangements in the Gaza Strip

1. The Delimiting Line

   For the purpose of the present Agreement only, and without prejudice to the final status, the line delimiting the northern and eastern edge of the Gaza Strip follows the fence on the ground, as delineated on attached map No. 1 by an unbroken green line (hereinafter "the Delimiting Line") and shall have no other effect.

2. Security Perimeter

   a. There will be a security perimeter along the Delimiting Line inside the Gaza Strip as delineated on attached map No. 1 by a broken green line (hereinafter "the Security Perimeter").

   b. In accordance with the provisions of this Agreement, the Palestinian Police will be responsible for security in the Security Perimeter.

   c. The Palestinian Police will enforce special security measures aimed at preventing infiltrations across the Delimiting Line or the introduction into the Security Perimeter of any arms, ammunition or related equipment, except for the arms, ammunition or equipment of the Palestinian Police, authorized through the relevant DCO.

   d. Activities of the Palestinian Police inside the Security Perimeter will be coordinated through the relevant DCO. Security activities in Israel in the vicinity of the Delimiting Line that directly affect the other side will be coordinated with the Palestinian Police through the relevant DCO.

3. The Israeli Settlements

   a. In accordance with the Declaration of Principles, during the interim period, the Gush Katif and Erez settlement areas, as well as the other settlements in the Gaza Strip, as delineated on attached map No. 1 by a blue line, will be under Israeli authority.

   b. Palestinians will be free to move along the coast road and along the road from the Netzarim Junction to the seashore.

4. The Yellow Areas

   a. In the areas delineated by a broken red line and shaded in yellow on attached map No. 1 (hereinafter "the Yellow Areas"), and without derogating from Palestinian authority, responsibility will be shared as follows: The Israeli authorities will have the overriding responsibility and powers for security, and the Palestinian Authority will have the responsibility and powers for civil affairs, subject to this Agreement. In addition, with regard to the Yellow Areas, cooperation and coordination in security matters, including joint patrols, as agreed, will be implemented.

   b. Entry of Palestinian policemen into the Yellow Areas and their activity therein may take place as agreed upon through the relevant DCO.

5. The Mawasi Area

   a. Two joint patrols will operate in the Mawasi area, the fishermen's wharves of Rafah and Khan Yunis, and along the coast road led by the Israeli vehicle.

b. Access of Palestinians to the Mawasi Area, as delineated on attached map No. 1, will be by the following roads:
   (1) Rafah - Tel Sultan - Mawasi;
   (2) Khan Yunis - El Bahr Village; and
   (3) Deir El Ballah - along the beach to the Mawasi.

c. The Mawasi Beach
   (1) Notwithstanding Israeli authority over the Gush Katif settlement area, the Palestinian Authority may operate sections of the Mawasi beach extending to the east up to the coast road, totaling, together with the Rafah and Khan Yunis wharves, five (5) kilometers.
   (2) Upon the completion of the withdrawal of Israeli military forces from the Gaza Strip and the Jericho Area, Israel will notify the Palestinian Authority of the locations of these sections.
   (3) These sections may be used for the following purposes:
      (a) sport and recreation, including boat hire facilities;
      (b) operating food establishments;
      (c) enlarging the wharves; and
      (d) Expanding the facilities for fishermen, such as offices, warehouses and cold storage facilities.
   (4) In these sections, the Palestinian Authority, in exercising its civil authority, will be able to grant licenses for businesses, collect fees and taxes, set and enforce public health standards and develop and manage the tourist sector.
   (5) In each of the fishermen's wharves, the Palestinian Authority may have an office building which shall be protected.
   (6) There will be not be any construction by Israelis of new sites along the beach.
   (7) During a period of three months from the signing of this Agreement, Israel may consider, in light of the security situation, the use by the Palestinian Authority of additional beach sections.

6. The Egyptian Border

The Military Installation Area along the Egyptian border in the Gaza Strip, as delineated on attached map No. 1 by a blue line and shaded in pink, will be under Israeli authority.

The village of Dahaniya will remain part of the Military Installation Area pending a declaration of a general amnesty for the residents of the village, and provision having been made for their protection. Upon realization of the above amnesty and protection, the village of Dahaniya will become part of the Yellow Area.

7. Lateral Roads to the Settlements

a. Without derogating from Palestinian authority and in accordance with the Declaration of Principles:

(1) On the three lateral roads connecting the Israeli settlements in the Gaza Strip to Israel, namely: the Kissufim-Gush Katif road; the Sufa-Gush Katif road; and the Karni-Netzarim road, as delineated by a light blue line on attached map no. 1, including the adjacent sides upon which the security of traffic along these roads is dependent (hereinafter "the Lateral Roads"), the Israeli authorities will have all necessary responsibilities and powers in order to conduct independent security activity, including Israeli patrols.
(2) Joint Israeli-Palestinian patrols will operate along the Lateral Roads. Such joint patrols will be led by the Israeli vehicle.
(3) Where the Israeli authorities carry out engagement steps, they will do so with a view to transferring, at the earliest opportunity, the continued handling of the incidents falling within Palestinian responsibility, to the Palestinian Police.
(4) Overpasses will be constructed on intersections between the Lateral Roads and the central North-South road (Road No. 4).
(5) These arrangements will be reviewed by the JSC one year after the date of the signing of this Agreement.

b. Where the Lateral Roads overlap the Security Perimeter the two sides, in the exercise of their respective powers and responsibilities, will fully coordinate their activity in order to prevent friction.

8. The Central North-South Road (Road No. 4) A joint patrol led by the Palestinian vehicle will be operated along the central North-South road (Road No. 4) in the Gaza Strip between Kfar Darom and Wadi Gaza.

9. Joint Mobile Units

a. Joint Mobile Units will be located at the following junctions:
(1) the Nissanit junction;
(2) the Netzarim junction;
(3) the Deir el-Ballah junction; and
(4) The Sufa-Morag junction.

b. At the Netzarim junction, the Israeli side of this Joint Mobile Unit will check Israeli vehicles, which will then be able to continue their journey without interference. This Joint Mobile Unit will also operate as a Joint Patrol between the Netzarim Junction and Wadi Gaza under the direction of the relevant DCO.

10. Coordination and Cooperation in the Gaza Strip Two DCOs will function in the Gaza Strip as follows:

a. A DCO for the Gaza district, located at the Erez crossing point with subordinate Joint Liaison Bureaus at the Erez and Nahal Oz crossing points.

b. A DCO for the Khan Yunis district, located at the Nuriya Camp with subordinate Joint Liaison Bureaus at the Sufa crossing point and at the Rafah terminal.

Article V
Security Arrangements in the Jericho Area

1. Clarifications Concerning the Jericho Area With regard to the definition of the Jericho Area, as delineated on attached map No. 2, it is hereby clarified that Route No. 90 crossing Auja from South to North and the East-West road connecting Route No. 90 with Yitav, and their adjacent sides, shall remain under Israeli authority. For the purpose of this Article, the width of each such road and its adjacent sides, as shown on attached map No. 2, shall extend at least 12 meters on each side measured from its center.

2. A Joint patrol led by the Palestinian vehicle shall operate along the main North-South road crossing Jericho (Route No. 90).

3. Joint Mobile Units

    a. A Joint Mobile Unit shall be located at the Auja junction being the intersection of Route No. 90 and the road to Yitav. This unit shall be led by the Israeli vehicle, and may be directed by the DCO to deal with certain incidents occurring on the road between Auja and Jericho in which Palestinians are involved.

    b. A Joint Mobile Unit shall be located at the Nahal Elisha junction on the road from Jericho to the Mousa Allami project.

4. Coordination and Cooperation in the Jericho Area A DCO located at the Vered Yericho crossing point will function in the Jericho Area and will maintain a subordinate Joint Liaison Bureau in the Allenby Terminal.

5.
    a. Pending the entry into force of the interim agreement, the holy site of Nebi Mousa will be under the auspices of the Palestinian Authority, for religious purposes.

    b. During religious events that take place three times a year and other special occasions that will be coordinated with the Israeli authorities, Palestinians will have the right to religious pilgrimage to the al-Maghtas under the Palestinian flag.

    c. Palestinian private projects, as well as joint ventures in accordance with the Declaration of Principles, will be located as agreed on the shore of the Dead Sea.

    d. Safe passage will be provided from the Jericho Area to Nebi Mousa, al-Maghtas and the projects and ventures as agreed in subparagraph c. above on the shore of the Dead Sea for the aforementioned purposes.

6. Within three months of the signing of this Agreement, Israel may consider, in light of the security situation, the possibility of widening of the Jericho Area.

Article VI
Security Arrangements Concerning Planning, Building and Zoning

1. Notwithstanding the provisions relating to planning, building and zoning set out elsewhere in this Agreement, the provisions of this Article shall apply with respect to the areas specified below.

2. These arrangements will be reviewed within a period of six months from the signing of this Agreement and, thereafter, every six months, with a view to modifying them, with due consideration to Palestinian plans for establishing economic projects, and to the security concerns of both sides.

3. The limitations set out below on the construction of buildings and installations in specific areas shall not require the demolition or removal of existing buildings or installations.

4. The existing buildings, installations and natural and artificial culture in the Gaza Strip within a distance of 100 meters from the Delimiting Line shall remain as they are at present.

5. Within the next 500 meters of the Security Perimeter, and within the Yellow Areas, buildings or installations may be constructed, provided that:

   a. one building or installation may be constructed on each plot, the size of which shall not be less than 25 dunams; and

   b. Such building or installation shall not exceed two floors, of a size not exceeding 180 sq. meters per floor.

   The Palestinian Authority shall maintain the predominantly agricultural character of the remaining areas of the Security Perimeter.

6. Buildings or installations shall not be constructed on either side of the Lateral Roads up to a distance of 75 meters from the center of these Roads.

7. In the Jericho Area, no bridges or other structures will be built above Route No. 90 which may prevent the movement on this road of vehicles with a height of up to 5.25 meters.

8. For the purpose of enforcing this Article, the United States will provide both sides with satellite photographs of the Gaza Strip depicting the buildings, installations and natural and artificial culture existing at the time of the signing of this Agreement.

Article VII
The Crossing Points

1. General

   a. Israel declares that work to relocate the Erez, Nahal Oz and Sufa crossing points currently within the Gaza Strip, to a location within Israel adjacent to the Delimiting Line, is underway. Israel will attempt to complete this work not later than 12 months from the date of the signing of this Agreement with regard to the Erez crossing point, and not later than 8 months from the date of the signing of this Agreement with regard to the Nahal Oz and Sufa crossing points. Pending the completion of this work, Israel shall retain control over these crossing points and operate them in accordance with the provisions of this Article.

   b. Israelis entering the Gaza Strip and the Jericho Area shall carry Israeli documentation (if they are above the age of 16) and, if driving a vehicle, a driving license and vehicle registration documentation recognized in Israel. Tourists to Israel entering the Gaza Strip and the Jericho Area shall carry their passports and other relevant documentation.

   c. Entry of residents of the Gaza Strip and the Jericho Area to Israel shall be subject to Israeli laws and procedures regulating entry into Israel, and such residents shall be required to carry the identity card as agreed upon in this Agreement, as well as documentation specified by Israel and notified through the CAC to the Palestinian Authority.

   d. The provisions of this Agreement shall neither prejudice the use of safe passage nor Israel's right, for security and safety considerations, to close the crossing points to Israel and to prohibit or limit the entry into Israel of residents and of vehicles from the Gaza Strip and the Jericho Area.

2. Passage between the Gaza Strip and Israel

   a. Passage between the Gaza Strip and Israel will be via one or more of the following crossing points:
      (1) the Erez crossing point;
      (2) the Nahal Oz crossing point; and
      (3) The Sufa crossing point.

   b. The Palestinian Authority may set up a checkpoint, within the Gaza Strip, on the road leading to the Erez crossing point and on the road leading to the Nahal Oz crossing point, at locations to be coordinated between the two sides, for the purpose of inspection and identification of passengers and vehicles. Israelis and tourists to Israel passing through these checkpoints may be only required to identify themselves by presenting Israeli documentation or a passport, as set out in subparagraph 1.b. above. The above requirements shall not apply to uniformed members of the Israeli military forces.

c. The Palestinian Authority may set up a checkpoint, within the Gaza Strip, on the road leading to the Sufa crossing point, at a location acceptable to both sides, for the purpose of inspection and identification of Palestinian passengers and vehicles. Israeli vehicles may bypass this checkpoint unimpeded.

d. Passage of Israelis, and tourists to Israel, between the Gaza Strip and Israel may, in addition, be via the following crossing points:
   (1) the Karni crossing point;
   (2) the Kisufim crossing point;
   (3) the Kerem Shalom crossing point; and
   (4) The Elei Sinai crossing point.

e. Israelis, and tourists to Israel, who have passed through any of the above crossing points into the Gaza Strip shall not be required to undergo any inspection, identification or other requirement in addition to the stated provisions for entry into the Gaza Strip outlined in this Article.

   Tourists to the Gaza Strip and the Jericho Area from countries having diplomatic relations with Israel, who have passed through an international crossing, will not be required to pass any additional entry control before entry to Israel.

f. Arrangements for the movement of goods between the Gaza Strip and Israel through the crossing points are set out in Annex IV

g. A Palestinian liaison officer will be present at each of the crossing points on the Lateral Roads.

3. Passage to and from the Jericho Area

   a. Passage between the Jericho Area and the rest of the West Bank shall be governed by the same rules regulating the movement of persons and vehicles within the West Bank, and shall not need to be effected through designated crossing points.

   b. Passage between the Jericho Area and Israel via the West Bank shall be governed by the currently applicable rules regulating the movement of persons and vehicles between the West Bank and Israel.

Article VIII
Rules of Conduct in Security Matters

1. Subject to the provisions of this Agreement, the security and public order personnel of both sides shall exercise their powers and responsibilities pursuant to this Agreement with due regard to internationally-accepted norms of human rights and the rule of law and shall be guided by the need to protect the public, respect human dignity and avoid harassment.

2. In the Yellow Areas and on the Lateral Roads and their adjacent sides, vehicles bearing Israeli license plates shall not be stopped, obstructed or delayed by the Palestinian Police, and no identification shall be required.

3. On the central North-South road (Road No. 4) in the Gaza Strip between the Netzarim Junction and Kfar Darom, and on the main North-South road crossing the Jericho Area (Route No. 90), vehicles bearing Israeli license plates may be stopped for identification by a Joint Patrol or a Joint Mobile Unit. The Israeli side of such a patrol or unit may carry out identity and vehicle documentation checks.

4. Without prejudice to the provisions of this Article regarding the areas mentioned in paragraphs 2 and 3 above, the following rules of conduct shall apply throughout the rest of the Gaza Strip and the Jericho Area:

   a. Vehicles bearing Israeli license plates may be stopped by the Palestinian Police for the purpose of checking the driving license, and passengers' identity documentation (if above the age of sixteen).

   b. Israelis shall under no circumstances be apprehended, arrested or placed in custody or prison by Palestinian authorities.

   However, where an Israeli is suspected of having committed of an offense, he or she may be detained in place by the Palestinian Police while ensuring his or her protection, in accordance with the provisions of Annex III, until the arrival of a Joint Patrol or Joint Mobile Unit, called immediately by the Palestinian Police, or of other Israeli representatives dispatched by the relevant DCO.

5. Pedestrians may be required to produce identity documentation (if above the age of sixteen). Thereafter, they shall be treated in accordance with the Provisions of this Article.

6. Uniformed members of the Israeli military forces, as well as vehicles of the Israeli military forces, shall not be stopped by the Palestinian Police in any circumstances, and shall not be subject to any identification requirements. Without derogating from the above, in the event of suspicion regarding such a person or vehicle, the Palestinian Police may notify the Israeli authorities through the relevant DCO, in order to request appropriate assistance.

7. Notwithstanding the provisions of this Article, persons who are subject to identification pursuant to this Article and who claim to be Israelis but cannot present appropriate identification documentation may be detained in place by the Palestinian Police, in accordance with the provisions of Annex III, until the arrival of a Joint Patrol or Joint Mobile Unit, called by the Palestinian Police, or of other Israeli representatives dispatched by the relevant DCO.

8.

   a. Each side shall enforce upon civilians subject to its authority a prohibition on possession or carrying weapons without a license.

b. The Palestinian Authority may grant licenses to possess or carry pistols for civilian use. The modalities for granting such licenses, as well as categories of persons who may be granted such licenses, will be agreed upon in the JSC.

9. Rules of Engagement

a. For the purpose of this Article, "engagement" shall mean an immediate response to an act or an incident constituting a danger to life or property that is aimed at preventing or terminating such an act or incident, or at apprehending its perpetrators.

b. Within the territory under the jurisdiction of the Palestinian Authority, in places where Israeli authorities exercise their security functions in accordance with this Annex, and in their immediate vicinities, the Israeli authorities may carry out engagement steps in cases where an act or an incident requires such action. In such cases, the Israeli authorities will take any measures necessary to bring to an end such an act or incident with a view to transferring, at the earliest opportunity, the continued handling of the incident falling within the Palestinian responsibility to the Palestinian Police. The Palestinian Authority will immediately be notified, through the relevant DCO, of such engagement steps.

c. Engagement with the use of firearms shall not be allowed, except as a last resort after all attempts at controlling the act or the incident such as warning the perpetrator or shooting in the air have failed. Use of firearms should be aimed at deterring and not at killing the perpetrator. The use of firearms shall cease once the danger is past.

d. Any activity involving the use of firearms other than for immediate operational purposes shall be subject to prior notification to the relevant DCO.

10. If a person is injured or otherwise in need of assistance, such assistance will be provided by the side that first reaches the site. If such a person is under the authority of the other side, the assisting side shall notify the relevant DCO and the appropriate provisions of Article II of this Annex, as well as the provisions of Annex II, Article II, regarding arrangements for treatment and hospitalization, shall be applied.

Article IX
Arrangements for Safe Passage between the Gaza Strip and the Jericho Area

1. General

a. There shall be safe passage between the Gaza Strip and the Jericho Area for residents of the Gaza Strip and the Jericho Area and visitors to these areas from abroad, as detailed in this Article.

b. Israel will ensure safe passage during daylight hours (from sunrise to sunset) for persons and transportation.

c. Safe passage will be effected via the following designated crossing points:
   (1) the Erez crossing point; and
   (2) The Vered Yericho crossing point.

d. Israel will make safe passage available through one or more of the routes delineated on attached map No. 3.

2. The usage of safe passage

a. As detailed below, persons using safe passage shall carry, in addition to the personal and vehicle documentation, the following documents:
   (1) a safe passage card; and
   (2) (for drivers only) a vehicle safe passage permit.
   Arrangements for implementation of safe passage, as well as modalities for the issuance by Israel of safe passage cards and vehicle safe passage permits, shall be discussed and agreed in the CAC.

b. Residents of the Gaza Strip and the Jericho Area in possession of a permit enabling them to enter Israel will be able to use this permit as a safe passage card.

c. Safe passage cards and vehicle safe passage permits shall be stamped by the Israeli authorities at the crossing point with the time of departure from the crossing point and the estimated time of arrival.

d. Residents of the Gaza Strip and the Jericho Area who are denied entry into Israel may be permitted by Israel to use safe passage in accordance with special arrangements to be made in each individual case through the JSC.

e. Special arrangements will apply with respect to passage of Palestinian leaders, senior Palestinian Authority officials and distinguished personalities. The CAC will define the scope and nature of these special arrangements, in consultation with the JSC.

f. The mode of passage of Palestinian policemen on duty, between the Gaza Strip and the Jericho Area, will be coordinated through the JSC.

g. Any additional matters relating to the usage of safe passage will be coordinated through the JSC.

3. Passage and Mode of Transit

a. Persons and vehicles in transit under these arrangements shall neither break their journey nor depart from the designated routes, and shall complete the transit within the designated time stamped on their safe passage cards and permits, unless a delay is caused by a medical emergency or a technical breakdown.

b. Persons using safe passage shall be subject to the laws and regulations applicable in Israel and in the West Bank respectively.

c. Persons and vehicles using safe passage shall not carry explosives, firearms or other weapons or ammunition, except for special cases that will be agreed to in the JSC.

4. General Provisions Regarding the Routes

a. The above arrangements shall in no way affect the status of the routes used for safe passage.

b. Routes used for safe passage shall be closed on Yom Kippur, Israel's Memorial Day and Israel's Independence Day.

c. Without prejudice to the use of safe passage, Israel may, for security or safety reasons, temporarily modify the arrangements for safe passage. Notice of such temporary modification shall be given to the Palestinian authority through the JSC. At least one route of safe passage shall, however, remain open.

d. Israel shall notify the Palestinian Authority of incidents involving persons using safe passage.

Article X
Passages

1. General

a. While Israel remains responsible during the interim period for external security, including along the Egyptian border and the Jordanian line, border crossing shall take place according to the arrangements included in this Article. These arrangements aim at creating a mechanism that facilitates the entry and exit of people and goods, reflecting the new reality created by the Declaration of Principles, while providing full security for both sides.

b. The arrangements included in this Article shall apply to the following border crossings:
(1) the Allenby Bridge crossing; and
(2) The Rafah crossing.

c. The same arrangements will be applied by the Parties, with the necessary adjustments, to agreed seaports, airports or other international crossings, such as the Abdullah and Damya bridges.

d. The two sides are determined to do their utmost to maintain the dignity of persons passing through the border crossings. To this end, the mechanism created will rely heavily on brief and modern procedures.

e. In each border crossing there will be one terminal, consisting of two wings. The first wing will serve Palestinian residents of the Gaza Strip and West Bank and visitors to these areas (hereinafter "the Palestinian Wing"). The second wing will serve Israelis and others (hereinafter "the Israeli Wing"). There will be a closed Israeli checking area and a closed Palestinian checking area, as set out below.

f. Special arrangements will apply to VIPs crossing through the Palestinian Wing. The liaison bureau to be established pursuant to paragraph 5 below (hereinafter "the Liaison Bureau") will define the scope and the nature of these special arrangements.

2. Control and Management of the Passages

a. For the purpose of this Article, "passage" is defined to mean the area from the crossing barrier at the Egyptian border or the Allenby Bridge, passing through and including the terminal and:
   (1) with regard to the Allenby Bridge crossing, from the terminal up to the Jericho Area; and
   (2) With regard to the Rafah crossing, from the terminal up to the outer limit of the Israel military location along the Egyptian border.

b.
   (1) Israel will have the responsibility for security throughout the passage, including for the terminal.
   (2) An Israeli director-general will have the responsibility for the management and security of the terminal.
   (3) The director-general will have two deputies who will report to him:
      (i) An Israeli deputy who will be the manager of the Israeli Wing. Israel will have exclusive responsibility for the management of the Israeli Wing; and
      (ii) A Palestinian deputy,- appointed by the Palestinian Authority, who will be the manager of the Palestinian Wing.
   (4) Each deputy will have an assistant for security and an assistant for administration. The assignments of the Palestinian deputies for security and administration will be agreed upon by the two sides.
   (5) There will be maximum coordination between the two sides. Both sides will maintain cooperation and coordination on matters of mutual concern.
   (6) The director-general will continue to use Palestinian contractors to provide bus services and other administrative and logistical services.
   (7) Palestinian policemen present at the terminal will be armed with handguns. Their deployment will be decided upon by the two sides. Other Palestinian officials present at the terminal will be unarmed.
   (8) The details of management and security and Liaison Bureau issues will be dealt with by the two sides.
   (9) The two sides will work together in order to seek ways for additional arrangements in the Rafah terminal.
   (10) Both sides will review these procedures in a year's time.

c. Except for the arrangements included in this Article, the current procedures and arrangements applicable outside the terminal shall continue to apply throughout the passage.

d.

(1) Once incoming passengers have crossed the terminal, they will proceed to the Jericho Area or the Gaza Strip, as appropriate, without any interference from Israeli authorities (safe passage).

(2) Outgoing passengers may proceed to the terminal without any interference from Israeli authorities after joint verification that such passengers hold the necessary documentation for exiting the area to Jordan or Egypt, as set out in this Agreement.

3. Arrangements for Entry from Egypt and Jordan Through the Palestinian Wing

a. At the entrance to the Palestinian Wing there will be a Palestinian policeman and a raised Palestinian flag.

b. Before entering the Palestinian Wing, passengers will identify their personal luggage and it will be placed on a conveyor belt. Each side will be able to inspect such luggage inside its own checking area, using its own personnel and, if necessary, may open the luggage for inspection in the presence of the owner and a Palestinian policeman.

c. Persons entering the Palestinian Wing will pass through a magnetic gate. An Israeli policeman and a Palestinian policeman will be posted on each side of this gate. In the event of suspicion, each side will be entitled to require a physical inspection to be conducted in inspection booths to be located adjacent to the gate. Passengers will be inspected by a Palestinian policeman in the presence of an Israeli policeman. Accompanying personal belongings may also be inspected at this point.

d. Having completed the above phase, persons entering the Palestinian Wing will pass through one of three lanes for the purpose of identification and document control, as follows:

(1) The first lane will be used by Palestinian residents of the Gaza Strip and the Jericho Area. These passengers will pass via a Palestinian counter, where their documents and identity will be checked. Their documents will be checked by an Israeli officer who will also check their identity indirectly in an invisible manner.

(2) The second lane will serve other Palestinian residents of the West Bank. These passengers will first pass via a Palestinian counter, where their documents and identity will be checked. Then they will continue via an Israeli counter, where their documents and identity will be checked. The two counters will be separated by tinted glass and a revolving door.

(3) The third lane will serve visitors to the Gaza Strip and West Bank. An identical procedure as in paragraph 3.d(2) above will apply to such visitors, except that they will first pass via the Israeli counter, and then continue via the Palestinian counter.

e. In the event of suspicion regarding a passenger in any of the three lanes described in subparagraph d. above, each side may question such passenger in its closed checking area. Suspicion justifying questioning in the closed checking area may be one of the following:
   (1) The passenger was involved, directly or indirectly, in criminal or planned criminal activity, in terrorist or planned terrorist activity and is not a beneficiary of the amnesty provisions of this Agreement.
   (2) the passenger conceals arms, explosives or related equipment;
   (3) the passenger holds forged or non-valid documentation or the details included in the documentation are inconsistent with those included in the population registry (in case of a resident) or in the data base (in case of a visitor), except that questions relating to such inconsistency will initially be raised at the counter and the passenger will be questioned in the closed checking area only if the suspicion has not been removed; or
   (4) The passenger acts in an obviously suspicious behavior during the passage via the terminal.

   If, at the conclusion of this questioning, the suspicion has not been removed, such passenger may be apprehended, after the other side has been notified. In case of a Palestinian suspect being apprehended by the Israeli side, a Palestinian policeman will be asked to meet with the suspect. Following notification to the Liaison Bureau, any further treatment of the apprehended person will be in accordance with Annex III.

f. In the Palestinian Wing, each side will have the authority to deny the entry of persons who are not residents of the Gaza Strip and West Bank.

   For the purpose of this Agreement, "residents of the Gaza Strip and West Bank" means persons who, on the date of entry into force of this Agreement, are registered as residents of these areas in the population registry maintained by the military government of the Gaza Strip and West Bank, as well as persons who have subsequently obtained permanent residency in these areas with the approval of Israel, as set out in this Agreement.

g. Following the above procedure, the passengers will collect their luggage and proceed to the customs area as described in Annex IV.

h. The Palestinian side will provide passengers whose entry is approved with an entry permit stamped by the Palestinian side and attached to their documents.

   At the conclusion of the direct and indirect checking of the documents and identity of passengers passing via the first lane and stamping their entry permits, the Palestinian officer will provide the passenger with a white card issued by the Israeli officer. A Palestinian official posted at the exit of the Palestinian Wing will verify that the passenger holds such a white card and will collect the cards with indirect and invisible Israeli checking.

   For passengers going through the second and third lanes, the Israeli officer will provide the passengers with a blue card, after checking their documents and identity, and verifying their entry permits. An Israeli and a Palestinian official posted at the exit of the Palestinian Wing

will verify and collect the cards. White and blue cards collected will be checked by Israeli and Palestinian officials.

In cases where either side denies the entry of a non-resident passenger, that passenger will be escorted out of the terminal and sent back to Jordan or Egypt, as appropriate, after notifying the other side.

4. Arrangements for Exit to Egypt and Jordan Through The Palestinian Wing

Passengers exiting to Egypt or Jordan through the Palestinian Wing will enter the terminal without their luggage. Thereafter, the same procedures described in paragraph 3 above will apply to them, except that the order of passing via the Israeli and Palestinian counters will be reversed.

5. Liaison Bureau

a. There will be a liaison bureau at each crossing point in order to deal with matters arising regarding passengers passing through the Palestinian Wing, issues requiring coordination, and differences regarding the implementation of these arrangements. Without derogating from Israel's responsibility for security, the bureau will also deal with incidents.

b. This bureau will be comprised of an equal number of representatives from each side and will be located at a specified location inside each terminal.

c. This bureau will be subordinate to the relevant subcommittee of the CAC.

6. Miscellaneous

a. Special arrangements will be agreed upon by the two sides regarding the passage of goods, buses, trucks and privately-owned vehicles. Pending this agreement, the current arrangements will continue to apply.

b. Israel will attempt to complete the structural alterations on the Rafah and Allenby Bridge terminals not later than the date of the completion of the withdrawal of Israeli forces from the Gaza Strip and the Jericho Area. If these structural alterations are not completed by that time, the arrangements described in this Article shall apply, except for those arrangements that cannot be implemented without the structural alterations.

c. In order to cross through the crossing points into and out of the Gaza Strip and the Jericho Area, residents of these areas will use documents as detailed in Annex II. Pending the entry into force of the Interim Agreement, other West Bank residents will continue to use the existing documents issued by the military government and its Civil Administration.

Article XI
Security along the Coastline and in the Sea of Gaza

1. Maritime Activity Zones

a. Extent of Maritime Activity Zones The sea off the coast of the Gaza Strip will be divided into three Maritime Activity Zones, K, L, and M as shown on map No. 6 attached to this Agreement, and as detailed below:
   (1) Zones K and M
      (a) Zone K extends to 20 nautical miles in the sea from the coast in the northern part of the sea of Gaza and 1.5 nautical miles wide southwards.
      (b) Zone M extends to 20 nautical miles in the sea from the coast, and one (1) nautical mile wide from the Egyptian waters.
      (c) Subject to the provisions of this paragraph, Zones K and M will be closed areas, in which navigation will be restricted to activity of the Israel Navy.
   (2) Zone L
      (a) Zone L bounded to the south by Zone M and to the north by Zone K extends 20 nautical miles into the sea from the coast.
      (b) Zone L will be open for fishing, recreation and economic activities, in accordance with the following provisions:
         (i) Fishing boats will not exit Zone L into the open sea and may have engines of up to a limit of 25 HP for outboard motors and up to a maximum speed of 15 knots for inboard motors. The boats will neither carry weapons nor ammunition nor will they fish with the use of explosives.
         (ii) Recreational boats will be permitted to sail up to a distance of 3 nautical miles from the coast unless, in special cases, otherwise agreed within the Maritime Coordination and Cooperation Center as referred to in paragraph 3 below. Recreational boats may have engines up to a limit of 10 horsepower. Marine motor bikes and water jets will neither be introduced into Zone L nor be operated therein.
         (iii) Foreign vessels entering Zone L will not approach closer than 12 nautical miles from the coast except as regards activities covered in paragraph 4 below.

b. General Rules of the Maritime Activity Zones
   (1) The aforementioned fishing boats and recreational boats and their skippers sailing in Zone L shall carry licenses issued by the Palestinian Authority, the format and standards of which will be coordinated through the JSC.
   (2) The boats shall have identification markings determined by the Palestinian Authority. The Israeli authorities will be notified through the JSC of these identification markings.
   (3) Residents of Israeli settlements in the Gaza Strip fishing in Zone L will carry Israeli licenses and vessel permits.
   (4) As part of Israel's responsibilities for safety and security within the three Maritime Activity Zones, Israel Navy vessels may sail throughout these zones, as necessary and without limitations, and may take any measures necessary against vessels suspected of

being used for terrorist activities or for smuggling arms, ammunition, drugs, goods, or for any other illegal activity. The Palestinian Police will be notified of such actions, and the ensuing procedures will be coordinated through the Maritime Coordination and Cooperation Center.

2. The Palestinian Coastal Police

   a. The Palestinian Coastal Police may function in Zone L, up to a distance of 6 nautical miles from the coast. In special cases, it may also exercise control over Palestinian fishing boats fishing in Zone L in an additional area of 6 nautical miles, up to the limit of 12 nautical miles from the coastline, after clearance and coordination through the Maritime Coordination and Cooperation Center.

   b. The Palestinian Coastal Police shall have up to 8 boats with a displacement of up to 30 tons. They will sail at a speed of up to 20 knots.

   c. The boats shall carry weapons of up to a 7.62 mm caliber.

   d. Boats of the Palestinian Coastal Police may fly a Palestinian flag, have police identification markings and shall operate identification lights.

   e. The Parties shall cooperate on all sea matters, including mutual help at sea, and pollution and environmental issues.

   f. The boats of the Palestinian Coastal Police will initially use the Gaza Wharf.

   g. Boats belonging to Israelis are solely subject to the control, authority and jurisdiction of Israel and the Israel Navy.

3. Maritime Coordination and Cooperation Center

   a. A Maritime Coordination and Cooperation Center (hereinafter "the MC") shall function as part of the JSC, to coordinate civil maritime activities and coastal police affairs off the coast of the Gaza Strip.

   b. The MC shall function within the relevant DCO, and will determine its own rules of procedure.

   c. The MC shall function 24 hours a day.

   d. The MC shall be staffed by members of the Israel Navy and the Palestinian Coastal Police, each providing a liaison officer and an assistant liaison officer.

   e. A direct radio telephone link (hot line) shall be set up between the Israel Navy vessels and the Palestinian Coastal Police vessels.

f. The role of the MC is to coordinate:
   (1) assistance between the Coastal Police and the Israel Navy as may be necessary to deal with incidents arising at sea;
   (2) Coastal Police training involving the use of firearms;
   (3) joint activities between the Coastal Police and the Israel Navy when pre-planning is operationally necessary;
   (4) radio contact between Coastal Police and Israel Navy vessels in the event that "hot line" communication between vessels of the two sides was not established;
   (5) search and rescue operations; and
   (6) Maritime activities related to an agreed port, when established in the Gaza Strip.

4. Gaza Strip Port

   a. Plans for the establishment of a port in the Gaza Strip in accordance with the Declaration of Principles, its location, and related matters of mutual interest and concern, as well as licenses for vessels and crews sailing on international voyages will be discussed and agreed upon between Israel and the Palestinian Authority taking into consideration the provisions of Article X of this Agreement. To this end a special committee will be established by the two sides.

   b. The Gaza Sea Port Authority referred to in the Declaration of Principles, shall act on behalf of the Palestinian Authority in accordance with the provisions of this Agreement.

   c. Pending construction of a port, arrangements for entry and exit of vessels, passengers and goods by sea, as well as licenses for vessels and crews sailing on international voyages in transit to the Gaza Strip and the Jericho Area, shall be through Israeli ports in accordance with the relevant rules and regulations applicable in Israel and in accordance with the provisions of Annex IV.

Article XII
Security of the Airspace

1. Operation of aircraft for the use of the Palestinian Authority in the Gaza Strip and the Jericho Area shall be initially as follows:

   a. Two (2) transport helicopters for VIP transportation within and between the Gaza Strip and the Jericho Area.

   b. Four (4) up to twenty persons capacity fixed-wing transport aircraft, for transporting persons between the Gaza Strip and the Jericho Area.

2. Changes in the number, type and capacity of aircraft may be discussed and agreed upon in a Joint Aviation Subcommittee (hereinafter "the JAC") to be established within the JSC.

3. The Palestinian Authority may immediately establish and operate in the Gaza Strip and the Jericho Area provisional airstrips for the helicopters and fixed-wing aircraft referred to in subparagraphs 1.a and 1.b above, in accordance with arrangements and modalities to be discussed and agreed upon in the JAC.

4. All aviation activity or usage of the airspace by any aerial vehicle in the Gaza Strip and the Jericho Area shall require prior approval of Israel. It shall be subject to Israeli air traffic control including, inter alia, monitoring and regulation of air routes as well as relevant regulations and requirements to be implemented in accordance with the Israel Aeronautical Information Publication, the relevant parts of which will be issued after consultation with the Palestinian Authority.

5. Aircraft taking off from, and landing in the Gaza Strip and the Jericho Area shall be registered and licensed in Israel or in other states members of ICAO. Air crews of such aircraft shall be licensed in Israel or in such other states, provided that such licenses have been approved and recommended by the Palestinian Authority and validated by Israel.

6. Aircraft referred to in this Article shall not carry firearms, ammunition, explosives or weapons systems, unless otherwise approved by both sides. Special arrangements for armed guards escorting high-ranking officials will be agreed upon in the JAC.

7. The location of navigational aids and other aviation equipment will be approved by Israel through the JAC.

8.

   a. The Palestinian Authority shall ensure that only the aviation activity in accordance with this Agreement will take place in the Gaza Strip and the Jericho Area.

   b. Further powers and responsibilities may be transferred to the Palestinian Authority through the JAC.

   c. The Palestinian Authority may establish a Palestinian Civil Aviation Department to act on its behalf in accordance with the provisions of this Article and of this Agreement.

9.

   a. Aviation activity by Israel will continue to be operated above the Gaza Strip and the Jericho Area, with the same limitations applicable in Israel regarding civil and military flights over densely-populated areas.

   b. Israel will notify the Palestinian Authority of emergency rescue operations, searches and investigations of aerial accidents carried out in the Gaza Strip and the Jericho Area. Searches and investigations of civilian aircraft accidents will be conducted by Israel with the participation of the Palestinian Authority.

10. Commercial, domestic and international air services to, from and between the Gaza Strip and the Jericho Area may be operated by Palestinian, Israeli or foreign operators approved by both sides, certified and licensed in Israel or in ICAO member states maintaining bilateral aviation relations with Israel. Arrangements for such air services, beginning with a service between Gaza and Cairo using two (2) fixed-wing aircraft with capacity up to fifty passengers each, as well as arrangements regarding the establishment and operation of airports and air terminals in the Gaza Strip and the Jericho Area, will be discussed and agreed upon by the two sides in the JAC.

    Any such international commercial air services will be carried out in accordance with Israel's bilateral aviation agreements. The implementation phase will be discussed and agreed upon in the JAC.

ANNEX II

PROTOCOL CONCERNING CIVIL AFFAIRS

Article I
Liaison and Coordination in Civil Matters

A. Joint Civil Affairs Coordination and Cooperation Committee

1. A Joint Civil Affairs Coordination and Cooperation Committee (hereinafter "the CAC") is hereby established.

2. The functions of the CAC are to coordinate between the Palestinian Authority on one hand, and Israel and the Civil Administration that shall continue to function in the rest of the West Bank on the other hand, concerning the following day-to-day matters:

   a. Civil matters, including issues concerning the transfer of powers and responsibilities from the Israeli military government and its Civil Administration to the Palestinian Authority.

   b. Matters arising with regard to roads, power lines and other infrastructure which require coordination according to this Agreement.

   c. Questions regarding passage to and from the Gaza Strip and the Jericho Area and safe passage between the Gaza Strip and the Jericho Area, including crossing points and international crossings.

   d. Day-to-day contacts between the two sides as regards matters such as employment permits, hospitalization, transportation licensing, transfer of information, etc.

   e. Joint projects, matters of mutual interest and other matters requiring coordination and cooperation.

3. The CAC shall be comprised of an equal number of representatives from Israel and from the Palestinian Authority, and shall convene at least once a month unless otherwise agreed.

   Each side may initiate the convening of a special meeting on short notice.

4. The CAC shall determine by agreement its mode of procedure.

5. Matters of principle and policy not settled within the CAC shall be passed on to the Joint Israeli-Palestinian Liaison Committee.

B. Joint Regional Civil Affairs Subcommittees

1. The CAC shall establish two Joint Regional Civil Affairs Subcommittees (hereinafter "the Subcommittees") for the Gaza Strip and the Jericho Area respectively.

2. Each Subcommittee shall deal with the day-to-day civil affairs matters as detailed in paragraph A.2 above.

   The Jericho Area Subcommittee shall also coordinate the relations between the Palestinian Authority and the military government and Civil Administration in the rest of the West Bank.

3. Each Subcommittee may establish ad hoc working groups if and when the need arises.

4. Each Subcommittee shall be comprised of an equal number of representatives from Israel and from the Palestinian Authority and shall convene no less than once every two weeks.

C. General

1. Means of communication shall be set up with a view to ensuring efficient and direct contact 24 hours a day, in order to deal with any urgent matter arising in the civil affairs field.

2. Each side shall inform the other of its representatives to each committee prior to a meeting. Meetings of the CAC and its subcommittees shall be organized and hosted by the two sides alternately unless otherwise agreed.

3. The provisions detailed above shall not impede daily contacts between representatives of Israel and of the Palestinian Authority in all matters of mutual concern.

Article II
Transfer of Powers and Responsibilities of the Civil Administration

A.

1. The transfer of powers and responsibilities from the Israeli military government and its Civil Administration to the Palestinian Authority shall be coordinated through the CAC and implemented in accordance with the following arrangements in a smooth, peaceful and orderly manner.

2. Preparations for the transfer of such powers and responsibilities shall commence immediately upon the signing of this Agreement, and shall be completed within 21 days.

   a. The Israeli authorities shall provide all necessary assistance to the Palestinian Authority, including access to offices, registers, records, systems and equipment and all necessary information, data and statistics required for the transfer of powers and responsibilities.

b. Israel shall provide the Palestinian Authority with all the details as described in subparagraph 38 below.

3. On the date fixed for the transfer of powers and responsibilities, Israel shall transfer from the possession of the Israeli military government and its Civil Administration to the Palestinian Authority offices, budgetary allocations, financial funds and accounts, equipment, registers, files, computer programs and other movable property necessary for its functioning.

B. All powers and responsibilities of the Civil Administration shall be transferred to the Palestinian Authority in the Gaza Strip and the Jericho Area, in accordance with the following provisions:

1. Interior Affairs:

This sphere includes, inter alia, municipal affairs, licensing of newspapers and publications, censorship of films and plays and appointment of Mukhtars. In the Gaza Strip, this sphere shall also include firefighting and Ottoman Societies.

2. Fisheries:

a. This sphere includes, inter alia, licensing of fishermen, marine agriculture and vessels' permits.

b. Security restrictions are dealt with in Annex I, Article XI.

3. Surveying:

This sphere includes, inter alia, licensing of surveyors and performing surveys in areas falling within the Palestinian Authority's jurisdiction.

4. Statistics:

a. The transfer of powers and responsibilities in this sphere includes inter alia transfer of research reports and publications prepared by the Department of Statistics.

b. The application and validity of censuses which may be conducted by the Palestinian Authority shall be subject to the provisions of subparagraph 27.l below.

c. Methods of cooperation regarding the collection of data on the movement of goods, services and labor between Israel and the Gaza Strip and the Jericho Area is dealt with in Annex IV.

5. Comptrol

6. Civil Administration Employees:

The Palestinian Authority assures that it shall keep employing the present Palestinian Civil Administration employees in the Gaza Strip and the Jericho Area and shall maintain their rights.

7. Legal Administration:

   a. This sphere includes, inter alia, administration of the Palestinian judiciary system in the Gaza Strip and the Jericho Area, licensing of lawyers, registration of companies and registration of patents and trademarks in these areas.

   b. Legal issues regarding commercial and civil jurisdiction, as well as legal assistance, are dealt with in Annex III.

8. Labor:

   a. Israel and the Palestinian Authority shall establish agreed procedures for mutual recognition of professional certificates and diplomas.

   b. Restrictions regarding supervision and licensing of the production and use of explosives and gunpowder shall be in accordance with Annex I, Article VIII, paragraph 8.

9. Education:

   Israel and the Palestinian Authority shall ensure that their respective education systems contribute to the peace between Israel and the Palestinian people and peace in the entire region.

10. Social Welfare:

    This sphere includes, inter alia, registration and supervision of charitable societies.

11. Assessments

12. Housing

13. Tourism:

    a. This sphere includes, inter alia, the licensing of hotels, souvenir shops and travel agents.

    b. Tourism policy in general and coordination between Israel and the Palestinian Authority are dealt with in Annex IV.

14. Parks:

    Transfer of powers and responsibilities in this sphere is without prejudice to the provisions applying to religious and archaeological sites.

15. Religious Affairs:

    a. The Palestinian Authority shall ensure free access to all holy sites in the Gaza Strip and the Jericho Area determined by the respective religious sects and shall protect these sites.

    b. The above is without prejudice to the arrangements with regard to archaeological sites as set out in subparagraph 30 below.

    c. Visitors to holy sites shall behave according to accepted rules of behavior in holy sites.

    d. Religious sects shall inform the Palestinian Authority of their respective holy sites in the Gaza Strip and the Jericho Area. For the purposes of this paragraph, the relevant authority regarding Jewish holy sites shall be the Israeli Government.

    e. A list of the existing Jewish holy sites is attached as Appendix A attached to this Annex.

    f. Israel declares that no property (including lands, buildings and institutions) belonging to the Islamic Waqf in the Gaza Strip and the Jericho Area was taken by the military government or its Civil Administration, except such property that might have been put to use for public purposes such as schools and public roads.

    g. Pending the entry into force of the Interim Agreement the holy site of Nebi Mousa shall be under the auspices of the Palestinian Authority for religious purposes.

    h. During religious events that take place three times a year and other special occasions that shall be coordinated with the Israeli authorities, Palestinians shall have the right to religious pilgrimage to the al-Maghtas under the Palestinian flag.

    i. Religious affairs in the "Shalom Al Israel" synagogue in Jericho shall be under the auspices of the Israeli authorities.

16. Employee Pensions:

    a. This sphere includes, inter alia, the pension rights of employees of the Civil Administration as well as employees of other bodies who are entitled to pensions from the Civil Administration in the Gaza Strip and the Jericho Area.

b. As part of its powers and responsibilities, the Palestinian Authority shall assume the Civil Administration's statutory and contractual obligations to Palestinian employees, regarding pensions and their payment.

c. In the Gaza Strip, upon the transfer of powers and responsibilities, the Palestinian Authority shall assume prevailing powers and obligations, according to the existing pension system.

Israel shall transfer to the Palestinian Authority, or to a Pension and Insurance Fund if established, the net income of the Fund (all payments plus interest after deduction of pension payments and running expenses) as accumulated at the Israel Ministry of Finance.

d. In the Jericho Area, the Palestinian Authority shall assume responsibility for payment of a budgetary pension.

e. After the transfer of authorities in this sphere, if Israel is sued by any employee or his/her heirs for any sums due to him/her as a pension, the Palestinian Authority shall reimburse Israel the full amount awarded the employee or his/her heirs by any court or tribunal.

f. Where legal proceedings are brought in respect of such a claim, Israel will notify the Palestinian Authority and enable it to participate in defending the claim.

17. Commerce and Industry:

a. This sphere includes, inter alia, licensing of crafts and industries, supervision of commodities and services and of weights and measures, and the regulation of commerce.

b. The Palestinian Authority shall make arrangements to ensure safety conditions for the production, use and transportation of fuel and gas.

c. The production and use of weapons, ammunition or explosives are dealt with in Annex I, Article VIII, paragraph 8.

d. The economic relations between Israel and the Gaza Strip and the Jericho Area, and questions relating to imports to and exports from the Gaza Strip and the Jericho Area, are dealt with in Annex IV.

e. Matters regarding the environment are dealt with in subparagraph 35. below.

18. Health:

    a. This sphere includes, inter alia, the health insurance system.

    b. The Palestinian Authority shall apply the present standards of vaccination of Palestinians and shall improve them according to internationally-accepted standards in the field.

    c. The Palestinian Authority shall inform Israel of any Israeli hospitalized in a Palestinian hospital as outlined in Annex I, Article II. Arrangements for moving such hospitalized Israelis shall be agreed upon in the CAC.

    d. Israel and the Palestinian Authority shall agree on arrangements regarding treatment and hospitalization of Palestinians in Israeli hospitals.

    e. Israel and the Palestinian Authority shall exchange information regarding epidemics and contagious diseases and shall develop methods for exchange of medical files and documents.

    f. Import of pharmaceuticals to the Gaza Strip and the Jericho Area through Israeli sea ports and airports shall be in accordance with general arrangements concerning imports, as dealt with in Annex IV.

19. Transportation:

    a. This sphere includes, inter alia, licensing of public transportation.

    b. In exercising its powers and responsibilities, the Palestinian Authority shall make appropriate arrangements for the continued operation of existing Israeli public transportation lines to the Settlements.

    c. High and appropriate international transportation standards shall be applied in the Gaza Strip and the Jericho Area.

    d. Regulations in the transportation sphere shall continuously adapt to improvements in international standards due to the dynamics of technology and environmental considerations. Due consideration shall be given to compatibility between the standards of the Palestinian Authority and of Israel.

    e. Regulations in the transportation field, including traffic signalization, shall be applied with a view to assuring the safety of all persons, to contributing to economic growth and to protecting the common environment.

    f. Regarding meteorology, there shall be mutual assistance and cooperation between the Israeli and the Palestinian weather forecasting offices.

g. The issue of establishing transport and communication lines to and from the Jericho Area and the Gaza Strip to Israel and the West Bank is dealt with in Appendix B attached to this Annex.
h. The arrangements regarding the transfer of authorities concerning maritime activity and aviation are dealt with in Annex I.

20. Agriculture:

a. Israel and the Palestinian Authority shall do their utmost to preserve and improve the veterinary standards.

b. Israel and the Palestinian Authority shall take all measures to reach equivalent and compatible standards regarding animal disease control, including mass vaccination of animals and avians, quarantines, "stamping out" measures and residue control standards.

c. Mutual arrangements shall be made to prevent the introduction and spread of plant pests and diseases, for their eradication, as well as arrangements concerning residue control standards in plant products.

d. The veterinary and the plant protection authorities of Israel and the Palestinian Authority shall coordinate and regularly exchange information regarding animal diseases, as well as plant pests and diseases, and shall establish a mechanism for immediate notification of the outbreak of such diseases.

e. Economic relations in the agricultural sphere between Israel and the Palestinian Authority, including transfer of agricultural goods, are dealt with in Annex IV.

f. Experts from both sides shall discuss the details of the arrangements regarding veterinary and plant protection within the CAC.

21. Employment:

a. Procedures for distributing employment permits to work in Israel and in the Settlements shall be agreed upon between Israel and the Palestinian Authority.

b. Arrangements concerning the rights of employees and workers from the Gaza Strip and the Jericho Area working in Israel are dealt with in Annex IV.

22. Land Registration:

All powers and responsibilities regarding land registration will be transferred to the Palestinian Authority, except the Settlements and the Military Installation Area.

23. Nature Reserves:

    a. Israel and the Palestinian Authority shall safeguard and preserve nature in general and shall protect species of animals, plants and flowers of special breeds.
    b. The Palestinian Authority shall respect the existing status of declared nature reserves and shall safeguard them.

24. Electricity:

    a. The Palestinian Authority shall continue, as appropriate, to buy electric power from the Jerusalem Electricity Company for the Jericho area.

    b. Pending the establishment by the Palestinian Authority of an alternative system for the Gaza Strip, it shall temporarily buy electric power from the Israel Electric Company (IEC), and to that end shall enter into a commercial agreement with the IEC. This Agreement shall relate to the settling of debts; to IEC property; and to the maintenance of lines to Palestinian customers.

    c. Without derogating from the powers and responsibilities transferred to the Palestinian Authority above, the Palestinian Authority shall enable the supply of electricity to the Gush Katif settlement area and the Kfar Darom settlement by the IEC, as well as the maintenance by the IEC of the electricity lines to these locations and of the electricity lines crossing the Jericho Area.

       The means of supplying electricity and the modalities of maintenance of lines to the Gush Katif settlement area and the Kfar Darom settlement shall be arranged by means of a commercial agreement between the Palestinian Authority and the IEC.

    d. Environmental matters relating to electricity shall be governed by the provisions regarding environmental protection as set forth in subparagraph 35. below.

25. Public Works:

    a. This sphere includes, inter alia, the Housing Department in the Gaza Strip.

    b. In principle, maintenance and repairs of the Lateral Roads leading to the Settlements and the Military Installation Area shall be carried out by the Palestinian Authority.

    c. Where such maintenance and repairs have not been effected by the Palestinian Authority within a reasonable time, the Palestinian Authority shall request, through the CAC, that Israel effect such maintenance and repairs.

    d. The Palestinian Authority shall notify and update Israel through the CAC of any activity which may disturb the regular flow of traffic on roads, including road works, repairs and large-scale construction in close proximity to roads.

26. Postal Services:

a. This sphere includes, inter alia, the management of post offices and postal delivery in the Gaza Strip and the Jericho Area.

b. The Palestinian Authority may issue postage stamps, postal stationery (hereinafter "stamps") and date stamps, subject to the following provisions:
   (1) Stamps shall include only the term "the Palestinian Authority", the face value and the subject.
   (2) The face value shall be stated only in the agreed legal currency circulating in the Gaza Strip and the Jericho Area as detailed in Annex IV.
   (3) The design, symbols and subjects of stamps, postal stationery and date stamps issued by the Palestinian Authority will be in accordance with the principles outlined in Article XII of the Agreement.
   (4) The date stamp shall include only the name of the office responsible for the cancelling of the stamp and the date of that operation.

c. Both sides will coordinate and cooperate in establishing postal rates for international postal services in such a way as to prevent mutual economic harm to each other.

d. The modalities and arrangements for sending and receiving all postal items, including parcels, between the Gaza Strip and the Jericho Area and Israel and the West Bank will be arranged by means of a commercial agreement between the Israel Postal Authority and the Civil Administration respectively on one side, and the Palestinian Authority on the other.

e. The modalities and arrangements for sending and receiving all postal items, including parcels, between the Gaza Strip and the Jericho Area and other countries will be arranged by means of a commercial agreement between the Israel Postal Authority and the Palestinian Authority, further modalities will be discussed in the CAC.

f. The customs principles detailed in Annex IV shall also apply to postal items, including parcels, transmitted to the Gaza Strip and the Jericho Area.

27. Population Registry and Documentation:

a. The Palestinian Authority shall receive the existing population registry in the Gaza Strip and the Jericho Area, as well as files pertaining to the residents of these areas.

b. The existing identity card of the present residents of the Gaza Strip and the Jericho Area, as well as of new residents therein, shall be substituted by a new identity card.

c. Possession of the aforementioned identity card and, whenever necessary, of an Israeli entrance permit, shall be required for entry into Israel by residents of the Gaza Strip and the Jericho Area.

d. Safe passage between the Gaza Strip and the Jericho Area of residents of these areas shall require the possession of the aforementioned identity card and any other necessary documents.

e. In order to ensure efficient passage procedures and to avoid discrepancies, the Palestinian Authority shall update Israel on a regular basis, through the CAC, of every change in its registry, with a view to enabling Israel to maintain an updated and current registry.

f. Exit abroad through the passages or through Israeli points of exit by residents of the Gaza Strip and the Jericho Area shall only be possible by means of an agreed passport/travel document.

g.

(1) Persons from countries not having diplomatic relations with Israel who visit the Gaza Strip and Jericho Area shall be required to obtain a special visitor's permit to be issued by the Palestinian Authority and cleared by Israel. Requests for such permits shall be filed by a relative of the visitor residing in the areas, through the Palestinian Authority, or by the Palestinian Authority itself.

(2) Visitors to the Gaza Strip and the Jericho Area shall be permitted to remain in these areas for a period of up to three months granted by the Palestinian Authority and cleared by Israel.

The Palestinian Authority may extend this three month period for an additional period of up to four months and shall inform Israel about the extension. Any further extensions require the approval of Israel.

h. Persons from countries having diplomatic relations with Israel who visit the Gaza Strip and the Jericho Area shall either be required to obtain the aforementioned visitor's permit or to hold a valid passport and an Israeli visa, when required.

i. Entry into the Gaza Strip or the Jericho Area of non-resident Palestinians who are visitors to these areas shall be handled by the Palestinian Authority in accordance with subparagraphs g. and h. above.

j. The Palestinian Authority shall ensure that visitors referred to above shall not overstay the duration of their entry permit and authorized extensions.

k. Special VIP certificates may be issued as detailed in Annex I.

l. The Palestinian Authority may grant permanent residency in the Gaza Strip and the Jericho Area with the prior approval of Israel.

m. The format of the aforementioned identity card and passport/travel document as well as arrangements of the implementation of the provisions set forth in this Article are detailed in Appendix C attached to this Annex.

28. Government and Absentee Land and other Immovables:

a. All powers and responsibilities of the Custodian of Absentee Land and Immovables and powers and responsibilities for governmental land and other immovables in the Gaza Strip and the Jericho Area shall be transferred to the Palestinian Authority in accordance with the following.

b. During the interim period, the transfer of powers and responsibilities of the Custodians of Absentee and Government Property in the Gaza Strip and the Jericho Area, other than those relating to movable property, shall not apply to land and other immovables within the Settlements and the Military Installation Area. The issue shall be dealt with within the permanent status negotiations.

c. The status of land and other immovables which, prior to June 1967, were in the custody of the Jordanian Custodian of Enemy Property in the West Bank or under the management of the Director General appointed in accordance with Order no. 25 of 31.3.50 in the Gaza Strip, shall be dealt with in the permanent status negotiations. Pending those negotiations, the status quo of such land and other immovables shall be maintained.

29. Telecommunications:

a. The Electromagnetic Sphere
   (1) The frequencies detailed in the telecommunications technical schedule attached to this Annex as Appendix D are assigned for the use of the Palestinian Authority in the Gaza Strip and the Jericho Area, to satisfy its present needs.
   (2) Conditions for the use of these frequencies as well as details concerning power, timing, direction, antenna radiation pattern and transmission methods, are also formulated in the aforementioned Appendix.
   (3) The frequencies shall serve, inter alia, a television network and a radio network.
   (4) The Palestinian Authority shall ensure that only the above frequencies shall be used and that it shall not disturb or interfere with Israel radio communications activity, and Israel shall ensure that there shall be no disturbance or interference with those frequencies.
   (5) The compatibility of the standards of electromagnetic and telecommunications systems and equipment imported or installed for use in the Gaza Strip and the Jericho Area, as well as the standards of operation of such equipment, are as agreed upon and formulated in the attached Appendix D.
   (6) The CAC shall establish, as the need arises, a joint committee of technical experts from both sides to discuss and deal with any issue arising out of this Agreement including the fulfillment of future needs of the Palestinian Authority.

b. Telecommunications
   (1) Pending the establishment by the Palestinian Authority of an alternative telecommunications system in the Gaza Strip and the Jericho Area, the existing system of telephone and other related communication services including international telecommunications in the Gaza Strip and the Jericho Area shall continue through "Bezeq - the Israel Telecommunications Corp. Ltd." (here infer "Bezeq") and to that end, the Palestinian Authority shall enter into a commercial agreement with Bezeq.
   (2) Without derogating from the powers and responsibilities of the Palestinian Authority, the Palestinian Authority shall enable the supply of telecommunications services to the Settlements and the Military Installation area by Bezeq, as well as the maintenance by Bezeq of the telecommunications infrastructure serving them or infrastructure crossing the Gaza Strip and the Jericho Area.

30. Archaeology:

a. The Palestinian Authority shall protect and guard all archaeological sites in the Gaza Strip and the Jericho Area, respect academic freedom in particular the freedom publishing research work based on excavations and shall take all necessary steps against theft of archaeological artifacts and illegal trade in them.

b. The CAC shall establish a joint committee of experts from both sides to deal with all archaeological issues of common interest. Actions which may affect the sites detailed in Appendix A shall also be referred to this committee for discussion and recommendation.

   The Palestinian Authority shall respect such recommendations.

   Disagreements on this matter within the joint committee of experts shall be referred to the CAC to be dealt with in accordance with the provisions of this Agreement.

c. Subject to academic considerations, and in accordance with the law, when the Palestinian Authority grants excavation licenses to archaeologists, researchers and academics interested in excavating in the Gaza Strip and Jericho Area, it shall do so without discrimination.
d. The Palestinian Authority shall ensure free access to archaeological sites.

e. With due consideration to the Palestinian demand that Israel shall return all archaeological artifacts found in the Gaza Strip and Jericho area since 1967, this issue shall be dealt with in the negotiations on the final status.

   For this purpose, Israel shall provide a list of archaeological sites for which excavation licenses were granted since 1967, including, where available, a general description of the artifacts found therein, and their location.

31. Water and Sewage

a. All water and sewage (hereinafter referred to as "water") systems and resources in the Gaza Strip and the Jericho Area shall be operated, managed and developed (including drilling) by the Palestinian Authority, in a manner that shall prevent any harm to the water resources.

b. As an exception to subparagraph a., the existing water systems supplying water to the Settlements and the Military Installation Area, and the water systems and resources inside them continue to be operated and managed by Mekoroth Water Co.

c. All pumping from water resources in the Settlements and the Military Installation Area, shall be in accordance with existing quantities of drinking water and agricultural water.

   Without derogating from the powers and responsibilities of the Palestinian Authority, the Palestinian Authority shall not adversely affect these quantities.

   Israel shall provide the Palestinian Authority with all data concerning the number of wells in the Settlements and the quantities and quality of the water pumped from each well, on a monthly basis.

d. Without derogating from the powers and responsibilities of the Palestinian Authority, the Palestinian Authority shall enable the supply of water to the Gush Katif settlement area and the Kfar Darom settlement by Mekoroth, as well as the maintenance by Mekoroth of the water systems supplying these locations and of water lines crossing the Jericho Area.

e. The Palestinian Authority shall pay Mekoroth for the cost of water supplied from Israel and for the real expenses incurred in supplying water to the Palestinian Authority.

f. All relations between the Palestinian Authority and Mekoroth shall be dealt with in a commercial agreement.

g. The Palestinian Authority shall take the necessary measures to ensure the protection of all water systems in the Gaza Strip and the Jericho Area.

h. Upon the signing of this Agreement, the two Parties shall establish a subcommittee to deal with all issues of mutual interest including the exchange of all data relevant to the management and operation of the water resources and systems and mutual prevention of harm to water resources.

i. The subcommittee shall agree upon its agenda and upon the procedures and manner of its meetings, and may invite experts or advisers as it sees fit.

32. Planning and Zoning:

    a. Authorities, powers and responsibilities in this sphere, except in the Settlements and the Military Installation Area, shall be transferred to the Palestinian Authority subject to the following.

    b. Planning schemes, bylaws and regulations in effect in the Gaza Strip and the Jericho Area prior to the signing of this Agreement shall remain in force, unless amended or abrogated in accordance with this Agreement.

    c. The Palestinian Authority may amend, abrogate or promulgate planning schemes, and issue licenses and exemptions within its jurisdiction, provided that such acts are consistent with the provisions of this Agreement.

    d. As part of its procedure, the Palestinian Authority shall publish planning schemes in the form of law. The Palestinian Authority shall provide the CAC with a copy of it.

    e. If Israel considers such a plan to be inconsistent with the terms of this Agreement, including Annex I, it may, within thirty (30) days of the receipt by the CAC of such a plan, bring it for consideration by a special subcommittee of the CAC and/or request additional information regarding the plan.

       The Palestinian Authority shall respect the recommendations of the subcommittee. Pending the completion of such a consideration process, and due settlement of the matter in accordance with the provisions of this Agreement, the planning procedures shall not be finalized.

33. Direct Taxation:

    This sphere includes, inter alia, income tax on individuals and corporations, property taxes, municipal taxes and fees, as formulated in Annex IV.

34. Indirect Taxation:

    This sphere includes, inter alia, VAT, purchase taxes on local production and import taxes, as formulated in Annex IV.

35. Environmental Protection:

    a. Israel and the Palestinian Authority shall act for the protection of the environment and prevention of environmental risks, hazards and nuisances.

    b. Israel and the Palestinian Authority shall respectively adopt, apply and ensure compliance with internationally-recognized standards concerning acceptable levels of land, air, water and sea pollution, and acceptable levels of treatment and disposal of

solid and liquid wastes; for the use and handling of hazardous substances, including pesticides, insecticides and herbicides, and standards for the prevention and abatement of noise, odor, pests and other nuisances which may affect each side and the Settlements and the Military Installation Area.

c. The Palestinian Authority shall take the appropriate measures to prevent the uncontrolled discharge in the Gaza Strip and the Jericho Area of sewage and effluence to water sources including underground and surface water and rivers, and to promote the proper treatment of sanitary and industrial waste water.

d. In the event that Israel or the Palestinian Authority considers that there might be a threat to its environment, any relevant information concerning the development activity and its environmental impact shall be provided by the relevant side.

e. Israel and the Palestinian Authority shall respectively operate an emergency warning system in order to respond to events or accidents which may generate environmental pollution, damage or hazards. A mechanism for mutual notification and coordination in cases of such events or accidents shall be established.

f. Israel and the Palestinian Authority shall cooperate in implementing agreed principles and standards concerning the protection of the Mediterranean Sea, the protection of the ozone layer, the control of movement of hazardous wastes and their disposal, the restriction of trade in endangered species of wild fauna and flora, and the conservation of migratory species of wild animals.

g. Israel and the Palestinian Authority shall establish within the CAC an Environmental Experts Committee for the coordination of environmental issues, to be convened when the need arises.

36. Gas and Petroleum:

a. This sphere includes, inter alia, distribution, supply, licensing, sales, exploration and production of gas and petroleum in the Gaza Strip and the Jericho Area.

b. In authorizing the construction or operation of gas and petroleum facilities (including gas and petrol stations), a safety distance from the Settlements and the Military Installation Area shall be observed by the Palestinian Authority.

c. The color of all gas cylinders in use in the Gaza Strip and the Jericho Area shall be different than that in use in Israel.

d. Israel and the Palestinian Authority agree to cooperate concerning the exploration and production of oil and gas in cases of joint geological structures lying partly in Israel or the West Bank and partly in the Gaza Strip or the Jericho Area.

e. Transfer of gas or fuel products through or to Israel and the West Bank shall be in accordance with Israeli standards concerning safety, security and environmental protection, and in accordance with the arrangements regarding entry into Israel.

f. Policies of pricing, taxation, import and marketing regarding gas and petroleum are dealt with in Annex IV.

37. Insurance:

a. This sphere includes, inter alia, licensing of insurance companies, insurance agents and supervision of their activity.

b. Arrangements regarding the compulsory insurance of motor vehicles and the compensation of road accident casualties, in view of transportation between the Gaza and the Jericho area, are dealt with in Annex IV.

38. Treasury:

a. In view of the need for a smooth transfer of powers and responsibilities, Israel shall provide the Palestinian Authority, through a team of Palestinian auditors, with all the details concerning the Civil Administration budget allocated for the Gaza Strip and the Jericho Area and the revenues, expenses and accounts. It shall also provide details regarding the Civil Administration's existing financial system in the Gaza Strip and the Jericho Area.

b.

(1) Israel shall transfer to the Palestinian Authority all the Gaza Strip and the Jericho Area Civil Administration funds and bank accounts as well as movable property.
(2) Israel shall provide the Palestinian Authority with a list of the Civil Administration departments and their immovable offices, storerooms, warehouses, etc.
(3) Where such immovables are situated on private property, including property owned by absentees, Israel shall provide the Palestinian Authority with the contracts between the Civil Administration and the owners of such property.

c.

(1) Israel shall bring to an end all the Gaza Strip and the Jericho Area Civil Administration service contracts detailed in Appendix E attached to this Annex.

Upon the transfer of powers and responsibilities, Israel shall provide the Palestinian Authority with copies of confirmations from the contractors declaring that they have no claim or demand concerning these contracts.

(2) Civil Administration development contracts, the duration of which extends beyond the transfer of powers and responsibilities, as detailed in Appendix E, shall be transferred to the Palestinian Authority and shall remain in force.

(3) Civil Administration contracts concerning leasing or renting Waqf, absentee or private property shall be transferred to the Palestinian Authority and shall remain in force.
(4) All contracts entered into by the Custodian of Absentee and Governmental Property for renting and leasing land shall be transferred to the Palestinian Authority, and Israel shall give notice of such to the tenants and lessees. It is understood that following the transfer of such contracts the Palestinian Authority shall have full discretion to take any decision regarding these contracts.

d. After the transfer of authorities, powers and responsibilities in this sphere, if Israel is sued with regard to the contracts and obligations referred to in subparagraph c. above, the Palestinian Authority shall reimburse Israel for the full amount awarded by any court or tribunal.

e. Where legal proceedings are brought in respect of such a claim, Israel will notify the Palestinian Authority and enable it to participate in defending the claim.

f. Upon the transfer of powers and responsibilities, the Palestinian Authority shall be solely responsible for any claim regarding its actions pursuant to the transfer.

g. Israel shall provide the Palestinian Authority with copies of the contracts listed in Appendix E in order to enable it to make a decision on new contracts which it may conclude. If such contracts are not written in Arabic, Israel shall provide the Palestinian Authority with a translation into Arabic.

APPENDIX A

1. The Naaran Synagogue (Ein Diuk).
2. The Jewish Cemetery in Tel Sammarat.
3. "Shalom Al Israel" Synagogue in Jericho.
4. The Jewish Synagogue in Gaza city.

APPENDIX B

To be added in the future.

APPENDIX C
Technical Schedule Regarding Population Registry and Documentation

Note: The following is only part of this Appendix. Other sections of this Appendix shall be added in the future.

1. Passport/travel document format

a. General specifications
   (1) Languages: Arabic and English.
   (2) External color: green.
   (3) Front cover titles will be Palestinian Authority, Passport/Travel Document (shall be written in letters of equal size).
   (4) Each person, without reference to age, will hold his/her own document.
   (5) The validity of the document shall be up to 3 years.
   (6) The number of pages: not less than 32 pages (to be checked by international standards).
   (7) Perforation of the Passport/Travel Document number shall be in at least half of the pages.

b. Internal page of external cover
   (1) The same title as external.
   (2) Text: in Arabic and English as follows:

   "This Passport/Travel Document is issued pursuant to the Palestinian Self Government Agreement according to the Oslo Agreement signed in Washington on September 13, 1993."
   (3) The rest of the text: as usual.
   (4) Bottom of page: of the Palestinian Authority.

c. Page number 1

   Number of the Passport/Travel Document.

d. Page number 2 - the sticker
   (1) Same information as today. Format: to be discussed.
   (2) Each name shall be titled for ease of reading (first name, family name, etc.).

e. Page number 3
   (1) Address of holder.
   (2) Text: "The bearer of this document ... "

f. Visa pages

   No comments.

g. Last page (32 or other)
   The text of paragraph 1 will be:

   "This passport/travel document, as long as it is valid, will enable its bearer on return from abroad, to enter the Gaza Strip and the Jericho Area."

   Note: The aforementioned is meant to enable passage through Israeli border control without the need of an entrance visa.

APPENDIX D
Technical Schedule: Telecommunications

Pursuant to the telecommunications principles agreed upon on February 23rd, 1994, the following modalities and technical details have been determined by the two sides:

1. General

   The Palestinian Authority shall use or reassign within its jurisdiction sections of frequencies covering all its required services within the bands L.F., M.F., H.F., V.H.F. and U.H.F. up to 960 MHz, to satisfy its present and future needs, as specified in the principles referred to above. The growing communication needs of the Palestinian Authority in the spheres of administration, police and civilian sectors in the Gaza Strip and the Jericho Area will be satisfied within a framework of coordination and cooperation.

   To that end, the Palestinian Authority shall present its requirements through the Joint Subcommittee of Technical Experts. Frequencies or sections of frequencies in the aforementioned bands will be assigned, or an alternative thereto providing the required service within the same band, or the best possible alternative thereto, acceptable by the Palestinian side and agreed upon by Israel in the Joint Subcommittee of Technical Experts.

2. Technical Details of the Initial Requirements The following is the first batch of initial requirements of immediate concern coinciding with the entry of the Palestinian Police and establishment of the Palestinian Authority.

   Further details and additional requirements will be presented through the Joint Subcommittee of Technical Experts at a later stage.

   a. Wireless:
      (1) DCO - will operate frequencies within a 410 to 430 MHz band.
      (2) PDPF
      (3) Cellular telephones

   b. Radio and Television
   c. Microwave:

      Palestinian requirements for microwave communications above the frequency 1 GHz will be satisfied using the same modality and will adhere to the technical parameters outlined in paragraph B.2 of the above principles of February 23rd, 1994.

APPENDIX E

Service Contracts

(Costs in thousands of shekels)

Name of Supplier	Type of Arrangement	Annual Cost
Gertner Gibor	Contract	145
Beersheva Technical College	Contract	50
Adnat Communications	Contract (Rolling Stone)	150
Halwa	Contract	20
Hiram Landau	Contract	870
Telrad	Contract	5,900
Beersheva Flour Mill	Contract	270
Isralift	Contract	40
Eurocorn	Per service call	70
Yitzhak Shapira	Agreement	20
Hertz Fogel	Contract	34
Mahud	Contract	10
Margolin Ron	Contract	350
Moshe Ravid	Contract	10
Malal Software Industries	Contract	250
Malam Systems	Contract	1,700
Magal Infrastructure	Contract	50
Ashkelon Mechanical Laundry	Contract	65
Nachman Nir - Engineer	Contract	40
Simona Bar Sagi	Contract	4
Pioneer Steel	Contract	517
Azata Flowers	Contract	32
Kravitz	Contract	180
R.N. Construction Engineering	Contract	250
Reshef Berder	Contract	3
Shorashim	Contract	33
Shavit Meshulam	Contract	2
Sha'atit	Contract	132
Tadiran	Contract	1,200
Tnuva	Contract	80
Tim Computer	Contract	3,500
Engineering Concrete Co.	Contract	1,100
Osma Haggan Alhadiri	Tender	750
Osma Bakar Alhazander	Tender	409
Ismail Mussa Asbed	Tender	1,750
Agudat Hatzdaka Printers	Tender	260
Keutzer Trading Store	Tender	131
Alzafadi Trading Co.	Tender	480
Hamadi El Salem	Tender	15
Roters Co.	Tender	210
Akila Fuel Co.	Tender	7
Bus Co.	Tender	100
Morad Trading Co.	Tender	36
Beno Razek	Tender	1,100
Mahmad Feisal Mahanna	Tender	312

El Sharek Library	Tender	26
Mahmad Rasmi Alkardi	Tender	32
Mahmad Hassin Ishmila	Contract	150
Nazer Ladbai Hamda	Contract	106
Sami Saleiman Daoud	Contract	206
Salem Abu Dalal	Contract	1,700
Aabed Abdalla Alpra	Contract	100
Mahana and Co.	Contract	5,600
Jerusalem Medicine Co.	By order	108
Bir Zeir Co.	By order	580
Asmi Ltd.	By order	12
Plastin	By order	45
Eastern Chemical Co.	By order	19
Nables Dinat Nazmi	By order	3
Ackerstein	Reg. Commitments (order)	42
Agis	"	1,500
I.T.S.	"	40
Abic	"	130
CRS Assoc	"	356
Isotope	"	17
Ilex	"	110
Astro	"	300
Ofek Mitzpeh Ramon	"	13
I.T.T. Macro	"	100
Ampa Ltd.	"	88
Ayalon Meromi	"	135
Yakobovitch	"	500
Elyakim Ben Ari	"	1,000
Avraham Goldberg	"	35
Orda Print	"	203
Izodan	"	10
I.I.S.	"	81
Arka	"	1,700
Bioferma	"	94
Balgar	"	11
Baktab Dragnosti	"	8
Burei Book Co.	"	13
Beeper Communications	"	120
Binat Communications	"	281
Belle Art Marketing Co.	"	78
Gamai Zur	"	5
Grafit	"	29
John Bryce Regular Tenders	Regular Tenders	332
Guttman Architects	"	6
Zover Medical Equipment	"	35
De Greit Equipment	"	79
Denograf	"	8
Diffies	"	6
Zerot Pictures	"	13
Dekel Printers	"	4
Digital	"	403

Be'eri Printers	"	203
Hamashbir	"	73
Hamadaf	"	206
Hagal Hahadash	"	10
Lamesheh Co.	"	77
Hyper Techni	"	138
Balmut	"	20
Electrical Engineering	"	62
Zameret Curtains	"	10
Zik Eish	"	106
Herut Elevators	Regular Orders	35
Hagim	"	10
Chaimov	"	70
Intermid	"	920
Kartin	"	460
Hagai	"	330
Totenauer	"	25
Teva	"	50
Total Graphics	"	10
Techno Realco	"	470
Yaron Chemical	"	18
Yegev Ltd.	"	33
Isramedcom	"	45
Yediot Aharonot	"	5
Yitzhak Benni	"	504
Ifat Information Center	"	51
Radet	"	500
Livnat Ltd.	"	33
Lahavot	"	-
Ligad	"	4
Laragent	"	-
Logi	"	14
Maksima	"	581
Magen David	"	100
Ma'atak	"	12
Mad Technika	"	1,280
Chai Laboratories	"	8
Maf'il	"	6
Mizauk	"	13
Pereg Works	"	670
Mei Eden	"	56
Suliman Levin	"	136
Sigma Israel	"	70
Sadan Safes	"	16
Seat Carmel	"	20
Super Pile	"	13
Einav	"	9
Alkades Newspaper	"	65
Fudi Industries	"	8
Pharma Best	"	30
Pharmatud	"	34

Zemel	"	6
Katzko	"	170
Rezenfal	"	23
Rekah	"	7
Rav Bariah	"	58
Shmerling	"	27
Shamrad Electronics	"	13

Development Contracts

The Beit Hanun Bridge - constructed by the Public Works Department. The total cost is 1 million NIS.

The Sheikh Radwan School - constructed by the Public Works Department that has contracts with sub-contractors. The total cost is 3.750 million NIS.

The Jericho Retirement Home

The Housing Department that has contracts with sub-contractors

ANNEX III

Protocol Concerning Legal Matters

Article I
Criminal Jurisdiction

1. The criminal jurisdiction of the Palestinian Authority covers all offenses committed in the areas under its territorial jurisdiction (hereinafter, for the purposes of this Annex, "the Territory") subject to the provisions of this Article.

2. Israel has sole criminal jurisdiction over the following offenses:

   a. offenses committed in the Settlements and the Military Installation Area subject to the provisions of this Annex; and

   b. Offenses committed in the Territory by Israelis.

3. In exercising their criminal jurisdiction, each side shall have the power, inter alia, to investigate, arrest, bring to trial and punish offenders.

4. In addition, and without derogating from the territorial jurisdiction of the Palestinian Authority, Israel has the power to arrest and to keep in custody individuals suspected of having committed offenses which fall within Israeli criminal jurisdiction as noted in paragraphs 2 and 7 of this Article, who are present in the Territory, in the following cases:

   a. The individual is an Israeli, in accordance with Article II of this Annex; or

   b.
      (1) The individual is a non-Israeli suspected of having just committed an offense in a place where Israeli authorities exercise their security functions in accordance with Annex I, and is arrested in the vicinity in which the offense was committed. The arrest shall be with a view to transferring the suspect, together with all evidence, to the Palestinian Police at the earliest opportunity.
      (2) In the event that such an individual is suspected of having committed an offense against Israel or Israelis, and there is a need for further legal proceedings with respect to that individual, Israel may retain him or her in custody and the question of the appropriate forum for prosecuting such a suspect shall be dealt with by the Legal Committee on a case-by-case basis.

5. In the case of an offense committed in the Territory by a non-Israeli against Israel or an Israeli, the Palestinian Authority shall take measures to investigate and prosecute the case, and shall report to Israel on the result of the investigation and any legal proceedings.

6.

a. Tourists in transit to or from Israel through the Gaza Strip or the Jericho Area, who are present on the Lateral Roads or on the main North-South road crossing the Jericho Area (Route No. 90), may be arrested and questioned only by the Israeli authorities which shall notify the Palestinian Authority. Where the Israeli authorities conclude that an offense under the prevailing law has been committed, and that further legal proceedings in respect of the tourist are required, such proceedings shall be taken by the Palestinian Authority.

b. Where such a tourist present outside these areas is detained or arrested by the Palestinian Authority, it shall notify the Israeli authorities immediately and shall enable them at the earliest opportunity to meet the detainee and to provide any necessary assistance, including consular notification, requested by the detainee.

7. Nothing in this Article shall derogate from Israel's criminal jurisdiction in accordance with its domestic laws over offenses committed outside Israel (including in the Territory) against Israel or an Israeli with due regard to the principle that no person can be tried twice for the same offense. The exercise of such jurisdiction shall be subject to the provisions of this Annex and without prejudice to the criminal jurisdiction of the Palestinian Authority.

Article II
Legal Assistance in Criminal Matters

1. General

a. Israel and the Palestinian Authority shall cooperate and provide each other with legal assistance in criminal matters. Such cooperation shall include the arrangements detailed in this Article.

b. For the purpose of this Article, "Israeli military forces" may include Israel Police and other Israeli security forces.

c. Documents served by one Party in the territory under the responsibility of the other, shall be accompanied by a certified translation into the official language of the other Party.

2. Cooperation in Criminal Matters

a. The Israel Police and the Palestinian Police shall cooperate in the conduct of investigations. Subject to detailed arrangements to be agreed upon, such cooperation shall include the exchange of information, records and fingerprints of criminal suspects, vehicle ownership registration records, etc.

b. Where an offense is committed in the Territory by an Israeli acting jointly with an individual under Palestinian personal jurisdiction, the Israeli military forces and the Palestinian Police will cooperate in conducting an investigation.

c. The Palestinian authorities shall not arrest or detain Israelis or place them in custody. Israelis can identify themselves by presenting Israeli documentation.

However, where an Israeli commits a crime against a person or property in the Territory the Palestinian Police upon arrival at the scene of the offense shall immediately notify the Israeli authorities through the relevant DCO. Until the arrival of the Israeli military forces the Palestinian Police may, if necessary, detain the suspect in place while ensuring his protection and the protection of all those involved and shall prevent interference with the scene of the offense, collect the necessary evidence and conduct preliminary questioning.

d. Without derogating from the jurisdiction of the Palestinian Authority over property located or transported within the Territory, where the property is being transported or carried by an Israeli, the following procedure shall apply: The Palestinian authorities have the power to take any measures necessary in relation to Israeli vehicles or personal belongings where such vehicle or belongings have been used in commission of a crime and present an immediate danger to public safety or health. When such measures are taken the Palestinian authorities shall immediately notify the Israeli authorities through the relevant DCO, and shall continue to take the necessary measures until their arrival.

3.

a. When an Israeli is suspected of committing an offense and is present in the Territory, the Israeli military forces shall be able to arrest, search and detain the suspect as required, in the presence of and with the assistance of the Palestinian Police.

b. When an Israeli commits an offense and is present in the Yellow Areas or on the Lateral Roads and their adjacent sides as defined in Annex I, the Israeli military forces may, without derogating from the territorial jurisdiction of the Palestinian Authority, arrest, search and detain the offender and shall notify the Palestinian Police immediately, provide it with all necessary information, and coordinate wherever possible.

4. When an offense is committed inside a Settlement, and all those involved are Palestinians of the Gaza Strip or the Jericho Area or their visitors, the Israeli military forces shall notify the Palestinian Police immediately and shall hand over the offender and the collected evidence to the Palestinian Police unless the offense is security-related.

5. Restraining Orders

Each side shall execute orders issued by the competent organ of the other side restraining a person under the jurisdiction of that side from travelling abroad.

6. Summons and Questioning of Witnesses

a. Where the statement of a witness who is an Israeli or other person present in Israel is required for a Palestinian investigation, the statement shall be taken by the Israel Police in the presence of a Palestinian Police officer in an Israeli facility at an agreed location.

b. Where the statement of a non-Israeli witness present in the Territory is required for an Israeli investigation, the statement shall be taken by the Palestinian Police in the presence of an Israeli police officer in a Palestinian facility at an agreed location.

c. In exceptional cases, each side may take a statement requested by the other side itself, without the presence of the requesting side.

7. Transfer of Suspects and Defendants

a. There a non-Israeli suspected of, charged with or convicted of an offense that falls within Palestinian criminal jurisdiction is present in Israel, the Palestinian Authority may request Israel to arrest and transfer the individual to the Palestinian Authority.

b. Where an individual suspected of, charged with or convicted of an offense that falls within Israeli criminal jurisdiction is present in the Territory, Israel may request the Palestinian Authority to arrest and transfer the individual to Israel.

c. Requests under subparagraphs a. and b. above shall specify the grounds for the request and shall be supported by an arrest warrant issued by a competent court.

d. Where the request is for the transfer of a suspect who is not a Palestinian requested by the Palestinian Authority:
   (1) the arrest warrant shall only be issued pursuant to an application made by or on behalf of the Attorney-General, confirming that there is reasonable evidentiary basis that the offense was committed by the suspect;
   (2) The offense must be punishable by not less than 7 years' imprisonment under the law of the requesting side.

e.
   (1) Individuals suspected of offenses punishable by less than 7 years' imprisonment shall be interrogated by the investigating side in a facility of the other side or at an agreed location.
   (2) Interrogation shall take place in the presence of a police officer of the other side.
   (3) Upon the request of the investigating side the other side may detain the suspect in custody pending and during the questioning.
   (4) Where the presence of the suspect is required for an objective reason such as confronting witnesses and identification of site, the suspect shall be transferred for that purpose only.

f.
   (1) Both sides, upon receipt of a request in accordance with this Article, shall effect the arrest and transfer requested.
   (2) If the individual requested is detained in custody or is serving a prison sentence, the side receiving the request may delay the transfer to the requesting side for the duration of the detention or imprisonment.

g. No person shall be transferred in respect of an offense punishable by capital punishment unless the requesting side undertakes that capital punishment shall not be imposed in the case.

h.
(1) Both sides shall take all necessary measures to ensure that the treatment of individuals transferred under this Article complies with the applicable legal arrangements in Israel and in the Territory and with internationally-accepted norms of human rights regarding criminal investigations.
(2) Suspects transferred under this paragraph shall have the right to be assisted during the investigation period by an advocate of their own choice.

i. Each side may, upon the request of the other side, detain, for no more than seven days, an individual in respect of whom a request for arrest and transfer is to be made, pending the submission of such a request.

j. The transfer of foreigners by Israel to the Palestinian Authority under this Article shall be subject to the applicable conventions to which Israel is a party and in coordination with the foreigner's state of origin.

k. Both sides may agree that an individual convicted in the courts of one side shall serve his sentence in a prison of the other side, subject to arrangements and conditions to be agreed between the sides.

8. Assistance in the Execution of Court Orders for the Purposes of Investigation

a. Israel and the Palestinian Authority shall execute orders issued by each other's' courts for the purposes of investigations (e.g., search warrants, orders for the production of documents and seizure orders), subject to the provisions of local law.

b. Where, for the purposes of an investigation, Israel or the Palestinian Authority requires that tests or examinations (such as fingerprinting or blood analysis) be effected in relation to an item situated in territory under the responsibility of the other side, that side shall effect the tests or examinations required and transfer the results to the side conducting the investigation. Where these results are not sufficient for the purposes of the investigation, arrangements shall be made for the transfer of the item to the side conducting the investigation.

9. Legal Assistance in the Conduct of Judicial Proceedings

a. Summons and subpoenas issued by an Israeli court in respect of defendants and witnesses present in the Territory, shall be effected through the Palestinian Authority which shall be responsible for the service of summons, and the execution of subpoenas by the Palestinian Police. Subpoenas issued in respect of an Israeli defendant or witness shall be executed by the Israeli military forces in the presence of and with the assistance of the Palestinian Police.

b. Summons or subpoenas issued by a Palestinian court in respect of defendants and witnesses present in Israel shall be effected through the Israel Police who shall be responsible for the service of summons and the execution of subpoenas.

c. Where the evidence of an Israeli witness is required in connection with proceedings conducted by a Palestinian court, the evidence of the witness shall be taken at a Palestinian court situated at an agreed location close to one of the crossing points, and the witness shall be accompanied by representatives of the Israeli military forces together with the Palestinian Police.

d. Where the evidence of a witness is required in connection with proceedings conducted by a court of one side, such a request will be notified to the authorities of the other side to summon the witness.

Article III
Civil Jurisdiction

1. The Palestinian courts and judicial authorities have jurisdiction in all civil matters, subject to this Agreement.

2. Israelis conducting commercial activity in the Territory are subject to the prevailing civil law in the Territory relating to that activity.

   Nevertheless, any enforcement of judicial and administrative judgments and orders issued against Israelis and their property shall be effected by Israel. Israel undertakes to execute such judgments and orders within a reasonable time.

3. The Palestinian courts and judicial authorities have no jurisdiction over civil actions in which an Israeli is a party, except for the following cases:

   a. the subject matter of the action is an ongoing Israeli business situated in the Territory (the registration of an Israeli company as a foreign company in the Territory being evidence of the fact that it has an ongoing business situated in the Territory);

   b. the subject matter of the action is real property located in the Territory;

   c. the Israeli party is a defendant in the action and has consented to such jurisdiction by notice in writing to the Palestinian court or judicial authority;

   d. the Israeli party is a defendant in an action the subject matter of which is a written agreement, and the Israeli party has consented to such jurisdiction by a specific provision in this agreement;

e. The Israeli party is a plaintiff who has filed an action in the Territory. If the defendant in the action is an Israeli, his consent to such jurisdiction in accordance with subparagraphs c. or d. above shall be required; or

f. Actions concerning other matters as agreed between the Parties.

4. The jurisdiction of the Palestinian courts and judicial authorities does not cover actions against the State of Israel including its statutory entities, organs and agents.

Article IV
Legal Assistance in Civil Matters

1. Service of Legal Documents

Israel and the Palestinian Authority will be responsible, in the areas under their respective territorial responsibility, for the service of legal documents, including subpoenas, issued by the judicial organs under the responsibility of the other Party.

2. Interim Orders

a. Interim orders (e.g., temporary orders of attachment, the appointment of a receiver, restraining orders) issued by judicial organs under the responsibility of either Party will not have effect in the areas under the territorial responsibility of the other Party.

b. Judicial organs under the responsibility of both Parties will be authorized to issue interim orders which shall apply in the areas under their territorial responsibility, even in cases in which the primary action was filed with the judicial organs under the responsibility of the other Party.

c. The judicial organs of each side may issue orders restraining an individual from travelling abroad when the order relates to a matter being tried by that organ, subject to the relevant provisions of the domestic laws.

3. Taking of evidence

Israel and the Palestinian Authority will make arrangements for taking evidence from witnesses, when necessary, within the areas under their territorial responsibility, when such evidence is sought in connection with proceedings conducted by the judicial organs under the responsibility of the other side.

4. Enforcement of judgments

a. Israel and the Palestinian Authority will enforce judgments rendered by the judicial organs under the responsibility of the other Party, provided that the judicial organ concerned had the jurisdiction to render the judgment and further provided that the enforcement is not

contrary to public policy. The execution office under the responsibility of Israel and the Palestinian Authority shall execute such judgments as if rendered by their own judicial organs.

b. In executing any judgment against Israelis the Palestinian execution offices will be authorized to issue orders (e.g., attachments, receivership, eviction) against Israeli property within the Territory.

c. Orders against the freedom of Israelis (e.g., imprisonment orders, restraining orders) shall only be issued by Israeli execution offices.

d. All orders issued by execution offices against Israelis or Israeli property within the Territory will be executed by the Israel Police with the assistance of the Palestinian Authority, or where the Israel Police notifies the Palestinian Authority that it has no objection, by the Palestinian Police.

ANNEX IV

Protocol on Economic Relations between the Government of the State of Israel and the P.L.O., representing the Palestinian people

Paris, April 29, 1994

PREAMBLE

The two parties view the economic domain as one of the cornerstone in their mutual relations with a view to enhance their interest in the achievement of a just, lasting and comprehensive peace. Both parties shall cooperate in this field in order to establish a sound economic base for these relations, which will be governed in various economic spheres by the principles of mutual respect of each other's economic interests, reciprocity, equity and fairness.

This protocol lays the groundwork for strengthening the economic base of the Palestinian side and for exercising its right of economic decision making in accordance with its own development plan and priorities. The two parties recognize each other's economic ties with other markets and the need to create a better economic environment for their peoples and individuals.

Article I
FRAMEWORK AND SCOPE OF THIS PROTOCOL

1. This protocol establishes the contractual agreement that will govern the economic relations between the two sides and will cover the West Bank and the Gaza Strip during the interim period. The implementation will be according to the stages envisaged in the Declaration of Principles on Interim Self Government Arrangements signed in Washington D.C. on September 13, 1993 and the Agreed Minutes thereto. It will therefore begin in the Gaza Strip and the Jericho Area and at a later stage will also apply to the rest of the West Bank, according to the provisions of the Interim Agreement and to any other agreed arrangements between the two sides.

2. This Protocol, including its Appendixes, will be incorporated into the Agreement on the Gaza Strip and the Jericho Area (in this Protocol - the Agreement), will be an integral part thereof and interpreted accordingly. This paragraph refers solely to the Gaza Strip and the Jericho Area.

3. This Protocol will come into force upon the signing of the Agreement.

4. For the purpose of this Protocol, the term "Areas" means the areas under the jurisdiction of the Palestinian Authority, according to the provisions of the Agreement regarding territorial jurisdiction. The Palestinian Jurisdiction in the subsequent agreements could cover areas, spheres or functions according to the Interim Agreement. Therefore, for the purpose of this Protocol, whenever applied, the term "Areas" shall be interpreted to mean functions and spheres also, as the case may be, with the necessary adjustments.

Article II
THE JOINT ECONOMIC COMMITTEE

1. Both parties will establish a Palestinian-Israeli Joint Economic Committee (hereinafter - the JEC) to follow up the implementation of this Protocol and to decide on problems related to it that may arise from time to time. Each side may request the review of any issue related to this Agreement by the JEC.

2. The JEC will serve as the continuing committee for economic cooperation envisaged in Annex III of the Declaration of Principles.

3. The JEC will consist of an equal number of members from each side and may establish sub-committees specified in this Protocol. A sub-committee may include experts as necessary.

4. The JEC and its sub-committees shall reach their decisions by agreement and shall determine their rules of procedure and operation, including the frequency and place or places of their meetings.

Article III
IMPORT TAXES AND IMPORT POLICY

1. The import and customs policies of both sides will be according to the principles and arrangements detailed in this Article.

2.
   a. The Palestinian Authority will have all powers and responsibilities in the sphere of import and customs policy and procedures with regard to the following:
      (1) Goods on List Al, attached hereto as Appendix I locally-produced in Jordan and in Egypt particularly and in the other Arab countries, which the Palestinians will be able to import in quantities agreed upon by the two sides up to the Palestinian market needs as estimated according to para 3 below.
      (2) Goods on List A2, attached hereto as Appendix II, from the Arab, Islamic and other countries, which the Palestinians will be able to import in quantities agreed upon by the two sides up to the Palestinian market needs as estimated according to para 3 below.

   b. The import policy of the Palestinian Authority for Lists Al and A2 will include independently determining and changing from time to time the rates of customs, purchase tax, levies, excises and other charges, the regulation of licensing requirements and procedures and of standard requirements. The valuation for custom purposes will be based upon the GATT 1994 agreement as of the date it will be introduced in Israel, and until then - on the Brussels Definition of Valuation (BDV) system. The classification of goods will be based on the principles of "the Harmonized Commodity Description and Coding System". Concerning imports referred to in Article VII of this Protocol (Agriculture), the provisions of that Article will apply.

3. For the purposes of para 2(a) above, the Palestinian market needs for 1994 will be estimated by a sub-committee of experts. These estimates will be based on the best available data regarding past consumption, production, investment and external trade of the Areas. The sub-committee will submit its estimate within three months from the signing of the Agreement. These estimates will be reviewed and updated every six months by the sub-committee, on the basis of the best data available regarding the latest period for which relevant data are available, taking into consideration all relevant economic and social indicators. Pending an agreement on the Palestinian market needs, the previous period's estimates adjusted for population growth and rise in per-capita GNP in the previous period, will serve as provisional estimate.

4. The Palestinian Authority will have all powers and responsibilities to independently determine and change from time to time the rates of customs, purchase taxes; levies, excises and other charges on the goods on List B, attached hereto as Appendix III, of basic food items and other goods for the Palestinian economic development program, imported by the Palestinians to the Areas.

5.

    a. With respect to all goods not specified in Lists Al, A2 and B, and with respect to quantities exceeding those determined in accordance with paras 2(a) & 3 above (hereinafter - the Quantities), the Israeli rates of customs, purchase tax, levies, excises and other charges, prevailing at the date of signing of the Agreement, as changed from time to time, shall serve as the minimum basis for the Palestinian Authority. The Palestinian Authority may decide on any upward changes in the rates on these goods and exceeding quantities when imported by the Palestinians to the Areas.

    b. With respect to all goods not specified in Lists A1 and A2, and with respect to quantities exceeding the Quantities, Israel and the Palestinian Authority will employ for all imports the same system of importation, as stipulated in para 10 below, including inter alia standards, licensing, country of origin, valuation for customs purposes etc.

6. Each side will notify the other side immediately of changes made in rates and in other matters of import policy, regulations and procedures, determined by it within its respective powers and responsibilities as detailed in this Article. With regard to changes which do not require immediate application upon decision, there will be a process of advance notifications and mutual consultations which will take into consideration all aspects and economic implications.

7. The Palestinian Authority will levy VAT at one rate on both locally produced goods and services and on imports by the Palestinians (whether covered by the three Lists mentioned above or not), and may fix it at the level of 15% to 16%.

8. Goods imported from Jordan, Egypt and other Arab countries according to para 2(a)(1) above (List Al) will comply with rules of origin agreed upon by a joint sub-committee within three months of the date of the signing of the Agreement. Pending an agreement, goods will be considered to have been "locally produced" in any of those countries if they conform with all the following:

a.

(1) hey have been wholly grown, produced, or manufactured in that country, or have been substantially transformed there into new or different goods, having a new name, character, or use, distinct from the goods or materials from which they were so transformed;

(2) They have been imported directly from the said country;

(3) The value or the costs of the materials produced in that country, plus the direct processing costs in it, do not fall short of 30 percent of the export value of the goods. This rate may be reviewed by the joint committee mentioned in para 16 a year after the signing of the Agreement.

(4) The goods are accompanied by an internationally recognized certificate of origin;

(5) No goods will be deemed as substantially new or different goods, and no material will be eligible for inclusion as domestic content, by virtue of having merely undergone simple combining or packaging, or dilution with water or other substances, which do not materially alter the characteristics of the said goods.

9. Each side will issue import licenses to its own importers, subject to the principles of this Article and will be responsible for the implementation of the licensing requirements and procedures prevailing at the time of the issuance of the licenses. Mutual arrangements will be made for the exchange of information relevant to licensing matters.

10. Except for the goods on Lists Al and A2 and their Quantities - in which the Palestinian Authority has all powers and responsibilities, both sides will maintain the same import policy (except for rates of import taxes and other charges for goods in List B) and regulations including classification, valuation and other customs procedures, which are based on the principles governing international codes, and the same policies of import licensing and of standards for imported goods, all as applied by Israel with respect to its importation. Israel may from time to time introduce changes in any of the above, provided that changes in standard requirements will not constitute a non-tariff-barrier and will be based on considerations of health, safety and the protection of the environment in conformity with Article 2.2. of the Agreement on Technical Barriers to trade of the Final Act of the Uruguay Round of Trade Negotiations. Israel will give the Palestinian Authority prior notice of any such changes, and the provisions of para 6 above will apply.

11.

a. The Palestinian Authority will determine its own rates of customs and purchase tax on motor vehicles imported as such, to be registered with the Palestinian Authority. The vehicle standards will be those applied at the date of the signing of the Agreement as changed according to para 10 above. However, the Palestinian Authority may request, through the sub-committee on transportation, that in special cases different standards will apply. Used motor vehicles will be imported only if they are passenger cars or dual-purpose passenger cars of a model of no more than three years prior to the importation year. The sub-committee on transportation will determine the procedures for testing and confirming that such used cars comply with the standards' requirements for that model year. The issue of importing commercial vehicles of a model prior to the

importation year will be discussed in the joint sub-committee mentioned in para 16 below.

b. Each side may determine the terms and conditions for the transfer of motor vehicles registered in the other side to the ownership or use of a resident of its own side, including the payment of the difference of import taxes, if any, and the vehicle having been tested and found compatible with the standards required at that time by its own registration administration, and may prohibit transfer of vehicles.

12.

a. Jordanian standards, as specified in the attached Appendix I, will be acceptable in importing petroleum products into the Areas, once they meet the average of the standards existing in the European Union countries, or the USA standards, which parameters have been set at the values prescribed for the geographical conditions of Israel, the Gaza Strip and the West Bank. Cases of petroleum products which do not meet these specifications will be referred to a joint experts' committee for a suitable solution. The committee may mutually decide to accept different standards for the importation of gasoline which meet the Jordanian standards even though, in some of their parameters, they do not meet the European Community or USA standards. The committee will give its decision within six months. Pending the committee's decision, and for not longer than six months of the signing of the Agreement, the Palestinian Authority may import to the Areas, gasoline for the Palestinian market in the Areas, according to the needs of this market, provided that:
   (1) this gasoline is marked in a distinctive color to differentiate it from the gasoline marketed in Israel; and
   (2) The Palestinian Authority will take all the necessary steps to ensure that this gasoline is not marketed in Israel.

b. The difference in the final price of gasoline to consumers in Israel and to consumers in the Areas, will not exceed 15% of the official final consumer price in Israel. The Palestinian Authority has the right to determine the prices of petroleum products, other than gasoline, for consumption in the Areas.

c. If Egyptian gasoline standards will comply with the conditions of sub-para (a) above, the importation of Egyptian gasoline will also be allowed.

13. In addition to the points of exit and entry designated according to the Article regarding Passages in Annex I of the Agreement for the purpose of export and import of goods, the Palestinian side has the right to use all points of exit and entry in Israel designated for that purpose. The import and export of the Palestinians through the points of exit and entry in Israel will be given equal trade and economic treatment.

14. In the entry points of the Jordan River and the Gaza Strip:

a. Freight shipment

The Palestinian Authority will have full responsibility and powers in the Palestinian customs points (freight-area) for the implementation of the agreed upon customs and importation policy as specified in this protocol, including the inspection and the collection of taxes and other charges, when due.

Israeli customs officials will be present and will receive from the Palestinian customs officials a copy of the necessary relevant documents related to the specific shipment and will be entitled to ask for inspection in their presence of both goods and tax collection.

The Palestinian customs officials will be responsible for the handling of the customs procedure including the inspection and collection of due taxes.

In case of disagreement on the clearance of any shipment according to this Article, the shipment will be delayed for inspection for a maximum period of 48 hours during which a joint sub-committee will resolve the issue on the basis of the relevant provisions of this Article. The shipment will be released only upon the sub-committee's decision.

b. Passengers customs lane

Each side will administer its own passengers customs procedures, including inspection and tax collection. The inspection and collection of taxes due in the Palestinian customs lane will be conducted by customs officials of the Palestinian Authority.

Israeli customs officials will be invisibly present in the Palestinian customs lane and entitled to request inspection of goods and collection of taxes when due. In the case of suspicion, the inspection will be carried out by the Palestinian official in a separate room in the presence of the Israeli customs official.

15. The clearance of revenues from all import taxes and levies, between Israel and the Palestinian Authority, will be based on the principle of the place of final destination. In addition, these tax revenues will be allocated to the Palestinian Authority even if the importation was carried out by Israeli importers when the final destination explicitly stated in the import documentation is a corporation registered by the Palestinian Authority and conducting business activity in the Areas. This revenue clearance will be effected within six working days from the day of collection of the said taxes and levies.

16. The Joint Economic Committee or a sub-committee established by it for the purposes of this Article will deal inter alia with the following:
    (1) Palestinian proposals for addition of items to Lists Al, A2 and B.

    Proposals for changes in rates and in import procedures, classification, standards and licensing requirements for all other imports;

    (2) Estimate the Palestinian market needs, as mentioned in para 3 above;
    (3) Receive notifications of changes and conduct consultations, as mentioned in para 6 above;

(4) Agree upon the rules of origin as mentioned in para 8 above, and review their implementation;
(5) Coordinate the exchange of information relevant to licensing matters as mentioned in para 9 above;
(6) Discuss and review any other matters concerning the implementation of this Article and resolve problems arising therefrom.

17. The Palestinian Authority will have the right to exempt the Palestinian returnees who will be granted permanent residency in the Areas from import taxes on personal belongings including house appliances and passenger cars as long as they are for personal use.

18. The Palestinian Authority will develop its system for temporary entry of needed machines and vehicles used for the Palestinian Authority and the Palestinian economic development plan.

    Concerning other machines and equipment, not included in Lists Al, A2 and B, the temporary entry will be part of the import policy as agreed in para 10 above, until the joint sub-committee mentioned in para 16 decides upon a new system proposed by the Palestinian Authority. The temporary entry will be coordinated through the joint sub-committee.

19. Donations in kind to the Palestinian Authority will be exempted from customs and other import taxes if destined and used for defined development projects or non-commercial humanitarian purposes. The Palestinian Authority will be responsible exclusively for planning and management of the donors' assistance to the Palestinian people. The Joint Economic Committee will discuss issues pertaining to the relations between the provisions in this Article and the implementation of the principles in the above paragraph.

Article IV
MONETARY AND FINANCIAL ISSUES

1. The Palestinian Authority will establish a Monetary Authority (PMA) in the Areas. The PMA will have the powers and responsibilities for the regulation and implementation of the monetary policies within the functions described in this Article.

2. The PMA will act as the Palestinian Authority's official economic and financial advisor.

3. The PMA will act as the Palestinian Authority's and the public sector entities' sole financial agent, locally and internationally.

4. The foreign currency reserves (including gold) of the Palestinian Authority and all Palestinian public sector entities will be deposited solely with the PMA and managed by it.

5. The PMA will act as the lender of last resort for the banking system in the Areas.

6. The PMA will authorize foreign exchange dealers in the Areas and will exercise control (regulation and supervision) over foreign exchange transactions within the Areas and with the rest of the world.

7.

a. The PMA will have a banking supervision department that will be responsible for the proper functioning, stability, solvency and liquidity of the banks operating in the Areas.

b. The banking supervision department will predicate its supervision on the international principles and standards reflected in international conventions and especially on the principles of the "Basle Committee".

c. The supervision department will be charged with the general supervision of every such bank, including:
   - The regulation of all kinds of banking activities, including their foreign activities;
   - The licensing of banks formed locally and of branches, subsidiaries, joint ventures and representative offices of foreign banks and the approval of controlling shareholders;
   - The supervision and inspection of banks.

8. The PMA will relicense each of the five branches of the Israeli banks operating at present in the Gaza Strip and the West Bank, as soon as its location or the authorities regarding it come under the jurisdiction of the Palestinian Authority. These branches will be required to comply with the general rules and regulations of the PMA concerning foreign banks, based on the "Basle Concordat". Para I0 d, e, and f below will apply to these branches.

9.

a. Any other Israeli bank wishing to open a branch or a subsidiary in the Areas will apply for a license to the PMA and will be treated equally to other foreign banks, provided that the same will apply to the Palestinian banks wishing to open a branch or a subsidiary in Israel.

b. Granting of a license by both authorities will be subject to the following arrangements based on the "Basle Concordat" valid on the date of signing of the Agreement and to the host authority's prevailing general rules and regulations concerning opening of branches and subsidiaries of foreign banks.

   In this para 10 "host authority" and "home authority" apply only to the Bank of Israel (BOI) and the PMA.

c. A bank wishing to open a branch or establish a subsidiary will apply to the host authority, having first obtained the approval of its home authority. The host authority will notify the home authority of the terms of the license, and will give its final approval unless the home authority objects.

d. The home authority will be responsible for the consolidated and comprehensive supervision of banks, inclusive of branches and subsidiaries in the area under the jurisdiction of the host authority.

However, the distribution of supervision responsibilities between the home and the host authorities concerning subsidiaries will be according to the "Basle Concordat".

e. The host authority will regularly examine the activities of branches and subsidiaries in the area under its jurisdiction. The home authority will have the right to conduct on site examinations in the branches and subsidiaries in the host area. However, the supervision responsibilities of the home authority concerning subsidiaries will be according to the "Basle Concordat".

Accordingly, each authority will transfer to the other authority copies of its examination reports and any information relevant to the solvency, stability and soundness of the banks, their branches and subsidiaries.

f. The BOI and the PMA will establish a mechanism for cooperation and for the exchange of information on issues of mutual interest.

10.

a. The New Israeli Shekel (NIS) will be one of the circulating currencies in the Areas and will legally serve there as means of payment for all purposes including official transactions. Any circulating currency, including the NIS, will be accepted by the Palestinian Authority and by all its institutions, local authorities and banks, when offered as a means of payment for any transaction.

b. Both sides will continue to discuss, through the JEC, the possibility of introducing mutually agreed Palestinian currency or temporary alternative currency arrangements for the Palestinian Authority.

11.

a. The liquidity requirements on all deposits in banks operating in the Areas will be determined and announced by the PMA.

b. Banks in the Areas will accept NIS deposits. The liquidity requirements on the various kinds of NIS deposits (or deposit linked to the NIS) in banks operating in the Areas will not be less than 4% to 8%, according to the type of deposits. Changes of over 1% in the liquidity requirements on NIS deposits (or deposits linked to the NIS) in Israel will call for corresponding changes in the above mentioned rates.

c. The supervision and inspection of the implementation of all liquidity requirements will be carried out by the PMA.

d. The reserves and the liquid assets required according to this paragraph will be deposited at the PMA according to rules and regulations determined by it. Penalties for noncompliance with the liquidity requirements will be determined by the PMA.

12. The PMA will regulate and administer a discount window system and the supply of temporary finance for banks operating in the Areas.

13.

a. The PMA will establish or license a clearing house in order to clear money orders between the banks operating in the Areas, and with other clearing houses.

b. The clearing of money orders and transactions between banks operating in the Areas and banks operating in Israel will be done between the Israeli and the Palestinian clearing houses on same working day basis, according to agreed arrangements.

14. Both sides will allow correspondential relations between each other's' banks.

15. he PMA will have the right to convert at the BOI excess NIS received from banks operating in the Areas into foreign currency, in which the BOI trades in the domestic inter-bank market, up to the amounts determined per period, according to the arrangements detailed in para 16 below.

16.

a. The excess amount of NIS, due to balance of payments flows, that the PMA will have the right to convert into foreign currency, will be equal to:
   (1) Estimates of all Israeli "imports" of goods and services from the Areas, valued at market prices (inclusive of taxes), which were paid for in NIS, less:
      (i) the taxes collected by the Palestinian Authority on all Israeli "imports" from the Areas and rebated to Israel in NIS, and
      (ii) the taxes collected by Israel on all Israeli "imports" from the Areas and included in their market value, and not rebated to the Palestinian Authority,

   Minus
   (2) Estimates of all Israeli "exports" of goods and services to the Areas, valued at market prices (inclusive of taxes), which were paid for in NIS, less
      (i) the taxes collected by Israel on such "exports" and rebated to the Palestinian Authority, and
      (ii) the taxes collected by the Palestinian Authority on such "exports" and included in their market value, and not rebated to Israel;

   Plus
   (3) The accumulated net amounts of foreign currency converted previously into NIS by the PMA, as recorded in the BOI Dealing Room.

b. The said flows and amounts will be calculated as of the date of the signing of the Agreement.

Notes to para 16:

(i) The estimates of the said "exports and imports" of goods and services will include inter alia labor services, NIS expenditure of tourists and Israelis in the Areas and NIS expenditure of Palestinians of the Areas in Israel.

(ii) Taxes and pension contributions on "imports" of labor services, paid to "importing" side and rebated to the "exporting" one, will not be included in the estimates of the sums to be converted, as the "exports'" earnings of labor services are recorded in the statistics inclusive of them, although they do not accrue to the individuals supplying them.

17. The PMA and the BOI will meet annually to discuss and determine the annual amount of convertible NIS during the following calendar year and will meet semi-annually to adjust the said amount. The amounts determined annually and adjusted semi-annually will be based on data and estimates regarding the past and on forecasts for the following period, according to the formula mentioned in para 16. The first meeting will be as soon as possible within three months after the date of the signing of the Agreement.

18.

a. The exchange of foreign currency for NIS and vice-versa by the PMA will be carried out through the BOI Dealing Room, at the market exchange rates.

b. The BOI will not be obliged to convert in any single month more than 1/5 of the semi-annual amount, as mentioned in para 17.

19. There will be no ceiling on the annual foreign currency conversions by the PMA into NIS. However, in order to avoid undesirable fluctuations in the foreign exchange market, monthly ceilings of such conversions will be agreed upon in the annual and semi-annual meetings referred to in para 17.

20. Banks in the Areas will convert NIS into other circulating currencies and vice-versa.

21. The Palestinian Authority will have the authorities, powers and responsibilities regarding the regulation and supervision of capital activities in the Areas, including the licensing of capital market institutions, finance companies and investment funds.

Article V
DIRECT TAXATION

1. Israel and the Palestinian Authority will each determine and regulate independently its own tax policy in matters of direct taxation, including income tax on individuals and corporations, property taxes, municipal taxes and fees.

2. Each tax administration will have the right to levy the direct taxes generated by economic activities within its area.

3. Each tax administration may impose additional taxes on residents within its area on (individuals and corporations) who conduct economic activities in the other side's area.

4. Israel will transfer to the Palestinian Authority a sum equal to:

   a. 75% of the income taxes collected from Palestinians from the Gaza Strip and the Jericho Area employed in Israel.
   b. The full amount of income taxes collected from Palestinians from the Gaza Strip and Jericho Area employed in the settlements.

5. The two sides will agree on a set of procedures that will address all issues concerning double taxation.

Article VI
INDIRECT TAXES ON LOCAL PRODUCTION

1. The Israel and the Palestinian tax administrations will levy and collect VAT and purchase taxes on local production, as well as any other indirect taxes, in their respective areas.

2. The purchase tax rates within the jurisdiction of each tax administration will be identical as regards locally produced and imported goods.

3. The present Israeli VAT rate is 17%. The Palestinian VAT rate will be 15% to 16%.

4. The Palestinian Authority will decide on the maximum annual turnover for businesses under its jurisdiction to be exempt from VAT, within an upper limit of 12,000 US $.

5. The VAT on purchases by businesses registered for VAT purposes will accrue to the tax administration with which the respective business is registered.

   Businesses will register for VAT purposes with the tax administration of the side of their residence, or on the side of their ongoing operation.

   There will be clearance of VAT revenues between the Israeli and Palestinian VAT administrations on the following conditions:

   a. The VAT clearance will apply to VAT on transactions between businesses registered with the VAT administration of the side in which they reside.

   b. The following procedures will apply to clearance of VAT revenues accruing from transactions by businesses registered for VAT purposes:
      (1) To be acceptable for clearance purposes, special invoices, clearly marked for this purpose, will be used for transactions between businesses registered with the different sides.
      (2) The invoices will be worded either in both Hebrew and Arabic or in English and will be filled out in any of these three languages, provided that the figures are written in "Arabic" (not Hindi) numerals.

(3) For the purpose of tax rebates, such invoices will be valid for six months from their date of issue.
(4) Representatives of the two sides will meet once a month, on the 20th day of the month, to present each other with a list of invoices submitted to them for tax rebate, for VAT clearance. This list will include the following details regarding each invoice:
    (a) The number of the registered business issuing it;
    (b) The name of the registered business issuing it;
    (c) The number of the invoice;
    (d) The date of issue;
    (e) The amount of the invoice;
    (f) The name of the recipient of the invoice.
(5) The clearance claims will be settled within 6 days from the meeting, through a payment by the side with the net balance of claims against it, to the other side.
(6) Each side will provide the other side, upon demand, with invoices for verification purposes. Each tax administration will be responsible for providing invoices for verification purposes for 6 months after receiving them.
(7) Each side will take the necessary measure to verify the authenticity of the invoices presented to it for clearance by the other side.
(8) Claims for VAT clearance which will not be found valid will be deducted from the next clearance payment.
(9) Once an inter-connected computer system for tax rebates to businesses and for VAT clearance between the two sides is operational, it will replace the clearance procedures specified in sub-paras (4) - (8).
(10) The two tax administrations will exchange lists of the businesses registered with them and will provide each other with the necessary documentation, if required, for the verification of transactions.
(11) The two sides will establish a sub-committee which will deal with the implementation arrangements regarding the clearance of VAT revenues set above.

6. VAT paid by not-for-profit Palestinian organizations and institutions, registered by the Palestinian Authority, on transactions in Israel, will accrue to the Palestinian tax administration. The clearance system set out in para 5 will apply to these organizations and institutions.

Article VII
LABOR

1. Both sides will attempt to maintain the normality of movement of labor between them, subject to each side's right to determine from time to time the extent and conditions of the labor movement into its area. If the normal movement is suspended temporarily by either side, it will give the other side immediate notification, and the other side may request that the matter be discussed in the Joint Economic Committee.

   The placement and employment of workers from one side in the area of the other side will be through the employment service of the other side and in accordance with the other sides' legislation. The Palestinian side has the right to regulate the employment of Palestinian labor in

Israel through the Palestinian employment service, and the Israeli Employment Service will cooperate and coordinate in this regard.

2.

a. Palestinians employed in Israel will be insured in the Israeli social insurance system according to the National Insurance Law for employment injuries that occur in Israel, bankruptcy of employers and maternity leave allowance.

b. The National Insurance fees deducted from the wages for maternity insurance will be reduced according to the reduced scope of maternity insurance, and the equalization deductions transferred to the Palestinian Authority, if levied, will be increased accordingly.

c. Implementation procedures relating thereto will be agreed upon between the Israeli National Insurance Institute and the Palestinian Authority or the appropriate Palestinian social insurance institution.

3.

a. Israel will transfer to the Palestinian Authority, on a monthly basis, the equalization deductions as defined by Israeli legislation, if imposed and to the extent levied by Israel. The sums so transferred will be used for social benefits and health services, decided upon by the Palestinian Authority, for Palestinians employed in Israel and for their families.

The equalization deductions to be so transferred will be those collected after the date of the signing of the Agreement from wages of Palestinians employed in Israel and from their employers.

These sums will not include
(1) Payments for health services in places of employment.
(2) 2/3 of the actual administrative costs in handling the matters related to the Palestinians employed in Israel by the Payments Section of the Israeli Employment Service.

4. Israel will transfer, on a monthly basis, to a relevant pension insurance institution to be established by the Palestinian Authority, pension insurance deductions collected after the establishment of the above institution and the completion of the documents mentioned in para 6.

These deductions will be collected from wages of Palestinians employed in Israel and their employers, according to the relevant rates set out in the applicable Israeli collective agreements. 2/3 of the actual administrative costs in handling these deductions by the Israeli Employment Service will be deducted from the sums transferred. The sums so transferred will be used for providing pension insurance for these workers. Israel will continue to be liable for pension rights of the Palestinian employees in Israel, to the extent accumulated by Israel before the entry into force of this para 4.

5. Upon the receipt of the deductions, the Palestinian Authority and its relevant social institutions will assume full responsibility in accordance with the Palestinian legislation and arrangements, for pension rights and other social benefits of Palestinians employed in Israel, that accrue from the transferred deductions related to these rights and benefits. Consequently, Israel and its relevant social institutions and the Israeli employers will be released from, and will not be held liable for any obligations and responsibilities concerning personal claims, rights and benefits arising from these transferred deductions, or from the provisions of paras 2-4 above.

6. Prior to the said transfers, the Palestinian Authority or its relevant institutions, as the case may be, will provide Israel with the documents required to give legal effect to their aforesaid obligations, including mutually agreed implementation procedures of the principles agreed upon in paras 3-5 above.

7. The above arrangements concerning equalization deductions and/or pension deductions may be reviewed and changed by Israel if an authorized court in Israel will determine that the deductions or any part thereof must be paid to individuals, or used for individual social benefits or insurance in Israel, or that it is otherwise unlawful. In such a case the liability of the Palestinian side will not exceed the actual transferred deductions related to the case.

8. Israel will respect any agreement reached between the Palestinian Authority, or an organization or trade-union representing the Palestinians employed in Israel, and a representative organization of employees or employers in Israel, concerning contributions to such organization according to any collective agreement.

9.
    a. The Palestinian Authority may integrate the existing health insurance scheme for Palestinians employed in Israel and their families in its health insurance services. As long as this scheme continues, whether integrated or separately, Israel will deduct from their wages the health insurance fees ("health stamp") and will transfer them to the Palestinian Authority for this purpose.

    b. The Palestinian Authority may integrate the existing health insurance scheme for Palestinians who were employed in Israel and are receiving pension payments through the Israeli Employment Service, in its health insurance services. As long as this scheme continues, whether integrated or separately, Israel will deduct the necessary sum of health insurance fees ("health stamp") from the equalization payments and will transfer them to the Palestinian Authority for this purpose.

10. The JEC will meet upon the request of either side and review the implementation of this Article and other issues concerning labor, social insurance and social rights.

11. Other deductions not mentioned above, if any, will be jointly reviewed by the JEC. Any agreement between the two sides concerning these deductions will be in addition to the above provisions.

12. Palestinians employed in Israel will have the right to bring disputes arising out of employee - employer relationships and other issues before the Israeli Labor Courts, within these courts' jurisdiction.

13. This Article governs the future labor relations between the two sides and will not impair any labor rights prior to the date of signing of the Agreement.

Article VIII
AGRICULTURE

1. There will be free movement of agricultural produce, free of customs and import taxes, between the two sides, subject to the following exceptions and arrangements.

2. The official veterinary and plant protection services of each side will be responsible, within the limits of their respective jurisdiction, for controlling animal health, animal products and biological products, and plants and parts thereof, as well as their importation and exportation.

3. The relations between the official veterinary and plant protection services of both sides will be based on mutuality in accordance with the following principles, which will be applied in all the areas under their respective jurisdiction:

    a. Israel and the Palestinian Authority will do their utmost to preserve and improve the veterinary standards.

    b. Israel and the Palestinian Authority will take all measures to reach equivalent and compatible standards regarding animal disease control, including mass vaccination of animals and avians, quarantines, "stamping out" measures and residue control standards.

    c. Mutual arrangements will be made to prevent the introduction and spread of plant pests and diseases, for their eradication and concerning residue control standards in plant products.

    d. The official veterinary and plant protection services of Israel and the Palestinian Authority will coordinate and regularly exchange information regarding animal diseases, as well as plant pests and diseases, and will establish a mechanism for immediate notification of the outbreak of such diseases.

4. Trade between the two sides in animals, animal products and biological products will be in keeping with the principles and definitions set out in the current edition of the OIE National Animal Health Code as updated from time to time (hereinafter - I.A.H.C.).

5. Transit of livestock, animal products and biological products from one side through the area under the jurisdiction of the other side, should be conducted in a manner aimed at the prevention of diseases spreading to or from the consignment during its movement. For such a transit to be permitted, it is a prerequisite that the veterinary conditions agreed upon by both

sides will be met in regard to importation of animals, their products and biological products from external markets. Therefore the parties agree to the following arrangements.

6. The official veterinary services of each side have the authority to issue veterinary import permits for import of animals, animal products and biological products to the areas under its jurisdiction. In order to prevent the introduction of animal diseases from third parties, the following procedures will be adopted:

   a. The import permits will strictly follow the professional veterinary conditions for similar imports to Israel as prevailing at the time of their issuance. The permits will specify the country of origin and the required conditions to be included in the official veterinary certificates which should be issued by the veterinary authorities in the countries of origin and which should accompany each consignment.

      Each side may propose a change in these conditions. The change will come into force 10 days after notice to the other side, unless the other side requested that the matter be brought before the Veterinary Sub-Committee specified in para 14 (hereinafter - VSC). If it is more stringent than the prevailing conditions - it will come into force 20 days after the request, unless both sides decide otherwise through the VSC, and if more lenient - it will come into force only if agreed upon by both sides through the VSC. However, if the change is urgent and needed for the protection of animal and public health, it will come into force immediately after notice by the other side and will remain in force unless and until both sides agree otherwise through the VSC.

   b. The official veterinary certificates will include the provisions regarding OIE Lists A & B Diseases as specified in the I.A.H.C. When the I.A.H.C. allows alternative requirements regarding the same disease, the most stringent one will be adopted unless otherwise agreed upon by the VSC.

   c. When infectious diseases which are not included in Lists A & B of the I.A.H.C. exist or are suspected, on scientific grounds, to exist in the exporting country, the necessary veterinary import conditions that will be required and included in the official veterinary certificates, will be discussed in the VSC, and in the case of different professional opinions, the most stringent ones will be adopted.

   d. The import of live vaccines will be permitted only if so decided by the VSC.

   e. Both sides will exchange, through the VSC, information pertaining to import licensing, including the evaluation of the disease situation and zoos sanitary capability of exporting countries, which will be based upon official information as well as upon other available data.
   f. Consignments which do not conform with the above mentioned requirements will not be permitted to enter the areas under the jurisdiction of either side.

7. Transportation of livestock and poultry and of animal products and biological products between areas under the jurisdiction of one side through areas under the jurisdiction of the other side, will be subject to the following technical rules:

    a. The transportation will be by vehicles which will be sealed with a seal of the official veterinary services of the place of origin and marked with a visible sign "Animal Transportation" or "Products of Animal Origin" in Arabic and Hebrew, in colored and clearly visible letters on white background;

    b. Each consignment will be accompanied by a veterinary certificate issued by the official veterinary services of the place of origin, certifying that the animals or their products were examined and are free of infectious diseases and originate from a place which is not under quarantine or under animal movement restrictions.

8. Transportation of livestock and poultry, animal products and biological products destined for Israel from the Areas and vice versa will be subject to veterinary permits issued by the official veterinary services of the recipient side, in keeping with the OIE standards used in international traffic in this field. Each such consignment will be transported by a suitable and marked vehicle, accompanied by a veterinary certificate in the form agreed upon between the official veterinary services of both sides. Such certificates will be issued only if permits of the recipient side are presented.

9. In order to prevent the introduction of plant pests and diseases to the region, the following procedures will be adopted:

    a. The transportation between the Areas and Israel, of plants and parts thereof (including fruits and vegetables), the control of pesticide residues in them and the transportation of plant propagation material and of animal feed, may be inspected without delay or damage by the plant protection services of the recipient side.

    b. The transportation between the Areas through Israel of plants and parts thereof (including fruits and vegetables) as well as of pesticides, may be required to pass a Phytosanitary inspection without delay or damage.

    c. The official Palestinian plant protection services have the authority to issue permits for the import of plants and parts thereof as well as of pesticides from external markets. The permits will be based on the prevailing standards and requirements.

        The permits will specify the required conditions to be included in the official Phytosanitary Certificates (hence P.C.) based upon the standards and the requirements of the International Plant Protection Convention (I.P.P.C.)and those of the European and Mediterranean Plant Protection Organization (E.P.P.O.) which should accompany each consignment. The P.C.'s will be issued by the plant protection services in the countries of origin. Dubious or controversial cases will be brought before the sub-committee on plant protection.

10. The agricultural produce of both sides will have free and unrestricted access to each other's' markets, with the temporary exception of sales from one side to the other side of the following items only: poultry, eggs, potatoes, cucumbers, tomatoes and melons. The temporary restrictions on these items will be gradually removed on an increasing scale until they are finally eliminated by 1998, as listed below:

Year	**Poultry** (In tons)	**Eggs** (In millions)	**Potatoes** (In tons)	**Cucumbers** (In tons)	**Tomatoes** (In tons)	**Melons** (In tons)
1994	5,000	30	10,000	10,000	13,000	10,000
1995	6,000	40	13,000	13,000	16,000	13,000
1996	7,000	50	15,000	15,000	19,000	15,000
1997	8,000	60	17,000	17,000	22,000	17,000
1998	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited

Note:
The above figures refer to the combined quantities marketed from the West Bank and Gaza Strip to Israel and vice-versa. The Palestinian Authority will notify Israel the apportioning of these quantities between these areas concerning the quantities pertaining to the Palestinian produce.

11. The Palestinians will have the right to export their agricultural produce to external markets without restrictions, on the basis of certificates of origin issued by the Palestinian Authority.

12. Without prejudice to obligations arising out of existing international agreements, the two sides will refrain from importing agricultural products from third parties which may adversely affect the interests of each other's farmers.

13. Each side will take the necessary measures in the area under its jurisdiction to prevent damage which may be caused by its agriculture to the environment of the other side.

14. The two sides will establish sub-committees of their respective official veterinary and plant protection services, which will update the information and review issues, policies and procedures in these fields. Any changes in the provisions of this Article will be agreed upon by both sides.

15. The two sides will establish a sub-committee of experts in the dairy sector in order to exchange information, discuss and coordinate their production in this sector so as to protect the interests of both sides. In principle, each side will produce according to its domestic consumption.

Article IX
INDUSTRY

1. There will be free movement of industrial goods free of any restrictions including customs and import taxes between the two sides, subject to each side's legislation.

2.

a. The Palestinian side has the right to employ various methods in encouraging and promoting the development of the Palestinian industry by way of providing grants, loans, research and development assistance and direct-tax benefits. The Palestinian side has also the right to employ other methods of encouraging industry resorted to in Israel.

b. Both sides will exchange information about the methods employed by them in the encouragement of their respective industries.

c. Indirect tax rebates or benefits and other subsidies to sales shall not be allowed in trade between the two sides.

3. Each side will do its best to avoid damage to the industry of the other side and will take into consideration the concerns of the other side in its industrial policy.

4. Both sides will cooperate in the prevention of deceptive practices, trade in goods which may endanger health, safety and the environment and in goods of expired validity.

5. Each side will take the necessary measures in the area under its jurisdiction to prevent damage which may be caused by its industry to the environment of the other side.

6. The Palestinians will have the right to export their industrial produce to external markets without restrictions, on the basis of certificates of origin issued by the Palestinian Authority.

7. The JEC will meet and review issues pertaining to this Article.

Article X
TOURISM

1. The Palestinian Authority will establish a Palestinian Tourism Authority which will exercise, inter alia, the following powers in the Areas.

a. Regulating, licensing, classifying and supervising tourist services, sites and industries.

b. Promoting foreign and domestic tourism and developing the Palestinian tourist resources and sites.

c. Supervising the marketing, promotion and information activities related to foreign and domestic tourism.

2. Each side shall, under its respective jurisdiction, protect, guard and ensure the maintenance and good upkeep of historical, archaeological, cultural and religious sites and all other tourist sites, to fit their status as well as their purpose as a destination for visitors.

3. Each side will determine reasonable visiting hours and days for all tourist sites in order to facilitate visits at a wide variety of days and hours, taking into consideration religious and national holidays. Each side shall publicize such opening times. Meaningful changes in the opening times will take into consideration tourist programs already committed to.

4. Tourist buses or any other form of tourist transport authorized by either side, and operated by companies registered and licensed by it, will be allowed to enter and proceed on their tour within the area under the jurisdiction of the other side, provided that such buses or other vehicles conform with the EEC technical specifications [I. currently adopted.] All such vehicles will be clearly marked as tourist vehicles.

5. Each side will protect the environment and the ecology around the tourist sites under its jurisdiction. In view of the importance of beaches and maritime activities for tourism, each side will do its best efforts to ensure that development and construction on the Mediterranean coast, and especially at ports (such as Ashqelon or Gaza), will be planned and carried out in a manner that will not adversely affect the ecology, environment or the functions of the coastline and beaches of the other side.

6. Tourism companies and agencies licensed by either side shall enjoy equal access to tourism - related facilities and amenities in border points of exit and entry according to the regulations of the authority operating them.

7.
   a. Each side will license, according to its own rules and regulations, travel agents, tour companies, tour guides and other tourism businesses (hereinafter - tourism entities) within its jurisdiction.
   b. Tourism entities authorized by either side, will be allowed to conduct tours that include the area under the jurisdiction of the other side, provided that their authorization as well as their operation will be in accordance with rules, professional requirements and standards agreed upon by both sides in the sub-committee mentioned in para 9.

      Pending that agreement, existing tourism entities in the Areas which are currently allowed to conduct tours that include Israel, will be allowed to continue to do so, and Israeli authorized tourism entities will continue to be allowed to conduct tours that include the Areas.

      In addition, any tourism entity of one side that the tourism authorities of the other side will certify as fulfilling all its rules, professional requirements and standards, will be allowed to conduct tours that include that other side.

8. Each side will make its own arrangement for compensation of tourists for bodily injury and property damages caused by political violence in the areas under its respective jurisdiction.

9. The JEC or a tourism sub-committee established by it shall meet upon the request of either side in order to discuss the implementation of the provisions of this Article and resolve problems that

may arise. The sub-committee will also discuss and consider tourist issues of benefit to both sides, and will promote educational programs for tourism entities of both sides in order to further their professional standards and their ethics. Complaints of one side against the behavior of tourism entities of the other side will be channeled through the committee.

Note:
It is agreed that the final wording in the last sentence in para 4 will be adopted according to the final wording in the relevant provisions of the Agreement.

Article XI
INSURANCE ISSUES

1. The authorities, powers and responsibilities in the insurance sphere in the Areas, including inter alia the licensing of insurers, insurance agents and the supervision of their activities, will be transferred to the Palestinian Authority.

2.
   a. The Palestinian Authority will maintain a compulsory absolute liability system for road accident victims with a ceiling on the amount of compensation based upon the following principles:
      (1) Absolute liability for death or bodily injury to road accident victims, it being immaterial whether or not there was fault on the part of the driver and whether or not there was fault or contributory fault on the part of others, each driver being responsible for persons travelling in his vehicle and for pedestrians hit by his vehicle.
      (2) Compulsory insurance for all motor vehicles, covering death or bodily injury to all road accident victims, including drivers.
      (3) No cause of action in tort for death or bodily injury resulting from road accidents.
      (4) The maintenance of a statutory fund (hereinafter - the Fund) for compensation of road accident victims who are unable to claim compensation from an insurer for the following reasons:
         (i) the driver liable for compensation is unknown;
         (ii) the driver is not insured or his insurance does not cover the liability involved; or
         (iii) The insurer is unable to meet his liabilities.

   b. Terms in this Article will have the same meaning as in the legislation prevailing at the date of signing of the Agreement concerning compulsory motor vehicle insurance and compensation of road accident victims.

   c. Any change by either side in the rules and regulations regarding the implementation of the above mentioned principles will require prior notice to the other side. A change which might substantially affect the other side will require prior notice of at least three months.

3.
   a. Upon the signing of the Agreement the Palestinian Authority will establish a Fund for the Areas (hereinafter - the Palestinian Fund) for the purposes detailed in para 2(a)(4) above and

for the purposes detailed below. The Palestinian Fund will assume the responsibilities of the statutory Road Accident Victims Compensation Fund in the West Bank and the Gaza Strip (hereinafter - the Existing Fund) regarding the Areas, according to the prevailing law at that time. Accordingly, the Existing Fund will cease to be responsible for any liability regarding accidents occurring in the Areas from the date of signing of the Agreement.

b. The Existing Fund will transfer to the Palestinian Fund, after the assumption of the above mentioned responsibilities by it, the premiums paid to the Existing Fund by the insurers for vehicles registered in the Areas, pro-rata to the unexpired period of each insurance policy.

4.

a. Compulsory motor vehicle insurance policies issued by insurers licensed by either side will be valid in the territories of both sides.

   Accordingly, a vehicle registered in one side covered by such a policy will not be required to have an additional insurance coverage for travel in the areas under the other side's jurisdiction. These insurance policies will cover all the liabilities according to the legislation of the place of the accident.

b. In order to cover part of the liabilities which may incur due to road accidents in Israel by uninsured vehicles registered in the Palestinian Authority, the Palestinian Fund will transfer to the Israeli Fund, on a monthly basis, for each insured vehicle, an amount equal to 30% of the amount paid to the Israeli Fund by an insurer registered in Israel, for the same type of vehicle, for the same period of insurance (which will not be less than 90 days).

5. In cases where a victim of a road accident wishes to claim compensation from an insurer registered by the other side or from the Fund of the other side or in cases where a driver or an owner of a car is sued by a victim, by an insurer or by the Fund of the other side, he may nominate the Fund of his side as his proxy for this purpose. The Fund so nominated may address any relevant party from the other side directly or through the other sides' Fund.

6. In the case of a road accident in which neither the registration number of the vehicle nor the identity of the driver are known, the Fund of the side which has jurisdiction over the place of the accident will compensate the victim, according to its own legislation.

7. The Fund of each side will be responsible towards the victims of the other side for any liability of the insurers of its side regarding the compulsory insurance and will guarantee their liabilities.

8. Each side will guarantee its Fund's liabilities according to this Article.

9. The two sides will negotiate within three months from the date of the signing of the Agreement a cut-off agreement between the Existing Fund and the Palestinian Fund concerning accidents which occurred in the Areas prior to the date of the signing of the Agreement, whether claims have been reported or not. The cut-off agreement will not include compensation for Israeli

victims involved in accidents which occurred in the Areas prior to the date of the signing of the Agreement.

10.

a. The two sides will establish immediately upon the signing of the Agreement, a sub-committee of experts (hereinafter - the Sub-Committee) which will deal with issues regarding the implementation of this Article, including:
   (1) Procedures concerning the handling of claims of victims of the one side from insurers or from the Fund of the other side;
   (2) Procedures concerning the transfer of the amounts between the Funds of both sides as mentioned in para 4(b) above;
   (3) The details of the cut-off agreement between the Existing Fund and the Palestinian Fund, as set out in para 9 above;
   (4) Any other relevant issue raised by either side.

b. The Sub-Committee will act as a continuous committee for issues regarding this Article.

c. The two sides will exchange, through the Sub-Committee, the relevant information regarding the implementation of this Article, including police reports, medical information, relevant statistics, premiums, etc. The two sides will provide each other with any other assistance required in this regard.

11. Each side may require the re-examination of the arrangements set out in this Article a year after the date of the signing of the Agreement.

12. Insurers from both sides may apply for a license to the relevant authorities of the other side, according to the rules and regulations regarding foreign insurers in the latter side. The two sides agree not to discriminate against such applicants.

Done in Paris, this twenty ninth day of April, 1994

For the Government of Israel
Finance Minister Avraham Shohat

For the PLO
Abu Ala (Ahmed Korei)

GAZA-JERICHO AGREEMENT

LETTERS

Letter from PLO Chairman Yasser Arafat to Prime Minister Yitzhak Rabin:

May 4, 1994

Yitzhak Rabin
Prime Minister of Israel

Mr. Prime Minister,

With regard to the Agreement on the Gaza Strip and the Jericho Area, signed in Cairo on May 4, 1994 (hereinafter 'the Agreement'), the PLO hereby confirms the following:

1. The PLO undertakes to ensure that the Palestinian Authority, including the Palestinian Police and other Palestinian Authority agencies, will function in accordance with the Agreement, and that the Palestinian Authority will activate the coordination and cooperation mechanism in a timely manner.

2. The PLO undertakes to cooperate with Israel, and to assist it, in its efforts to locate and to return to Israel Israeli soldiers who are missing in action and the bodies of killed soldiers which have not been recovered.

3. The PLO undertakes to submit to the next meeting of the Palestinian National Council for formal approval the necessary changes in regard to the Palestinian Covenant, as undertaken in the letter dated September 9, 1993 signed by the Chairman of the PLO and addressed to the Prime Minister of Israel.

4. When Chairman Arafat enters the Gaza Strip and the Jericho Area, he will use the title 'Chairman (Ra'ees in Arabic) of the Palestinian Authority' or 'Chairman of the PLO', and will not use the title 'President of Palestine.'

5. Neither side shall initiate or take any step that will change the status of the Gaza Strip and the Jericho Area pending the outcome of the permanent status negotiations.

6. Pursuant to Article IV, paragraph 3, of the Agreement, the PLO shall inform the Government of Israel of the names of the members of the Palestinian Authority in a letter that shall be provided within a week of signing the Agreement. The appointment of these members to the Palestinian Authority shall take effect upon an exchange of letters between the PLO and the Government of

Israel. Changes in the membership of the Palestinian Authority will take effect upon an exchange of letters between the PLO and the Government of Israel.

7. Immediately after the conclusion of the Agreement, early empowerment negotiations will commence pursuant to Article VI of the Declaration of Principles, and the two sides will explore possible expansion of the scope of these negotiations beyond the five spheres.

8. The two sides will intensify the negotiations on the interim arrangements consistent with the Declaration of Principles and guided by its target date.

9. The two sides reiterate their commitment to commence permanent status negotiations as soon as possible, but no later than the beginning of the third year of the interim period, as provided for in Article V of the Declaration of Principles.

10. As regards the relations between Israel and the PLO, and without derogating from the commitments contained in the letters dated September 9, 1993 signed by and exchanged between the Prime Minister of Israel and the Chairman of the PLO, the two sides will apply between them the provisions contained in Article XII, paragraph 1, with the necessary changes.

11. The two Parties shall, within one month of signing the Agreement, invite the Governments of Jordan and Egypt to establish the Continuing Committee referred to in Article XII of the Declaration of Principles and in Article XVI of the Agreement.

12. The Government of Israel and the Palestinian Authority shall pass all necessary legislation to implement the Agreement.

13. The two Parties shall continue discussions on the following issues:
    (1) the size of the Jericho Area;
    (2) the positioning of a Palestinian official at the bridge;
    (3) additional arrangement in the Rafah passage; and
    (4) All outstanding issues specified in the Agreement.

Sincerely,

Yasser Arafat
Chairman

The Palestinian Liberation Organization

Letter from Prime Minister Yitzhak Rabin to PLO Chairman Yasser Arafat:

May 4, 1994

Yasser Arafat
Chairman

The Palestine Liberation Organization

Mr. Chairman,

The Government of the State of Israel has the honor to acknowledge receipt of your letter of today's date which reads as follows:

"With regard to the Agreement on the Gaza Strip and the Jericho Area, signed in Cairo on May 4, 1994 (hereinafter 'the Agreement'), the PLO hereby confirms the following:

1. The PLO undertakes to ensure that the Palestinian Authority, including the Palestinian Police and other Palestinian Authority agencies, will function in accordance with the Agreement, and that the Palestinian Authority will activate the coordination and cooperation mechanism in a timely manner.

2. The PLO undertakes to cooperate with Israel, and to assist it, in its efforts to locate and to return to Israel Israeli soldiers who are missing in action and the bodies of killed soldiers which have not been recovered.

3. The PLO undertakes to submit to the next meeting of the Palestinian National Council for formal approval the necessary changes in regard to the Palestinian Covenant, as undertaken in the letter dated September 9, 1993 signed by the Chairman of the PLO and addressed to the Prime Minister of Israel.

4. When Chairman Arafat enters the Gaza Strip and the Jericho Area, he will use the title 'Chairman (Ra'ees in Arabic) of the Palestinian Authority' or 'Chairman of the PLO', and will not use the title 'President of Palestine.'

5. Neither side shall initiate or take any step that will change the status of the Gaza Strip and the Jericho Area pending the outcome of the permanent status negotiations.

6. Pursuant to Article IV, paragraph 3, of the Agreement, the PLO shall inform the Government of Israel of the names of the members of the Palestinian Authority in a letter that shall be provided within a week of signing the Agreement. The appointment of these members to the Palestinian Authority shall take effect upon an exchange of letters between the PLO and the Government of Israel. Changes in the membership of the Palestinian Authority will take effect upon an exchange of letters between the PLO and the Government of Israel.

7. Immediately after the conclusion of the Agreement, early empowerment negotiations will commence pursuant to Article VI of the Declaration of Principles, and the two sides will explore possible expansion of the scope of these negotiations beyond the five spheres.

8. The two sides will intensify the negotiations on the interim arrangements consistent with the Declaration of Principles and guided by its target date.

9. The two sides reiterate their commitment to commence permanent status negotiations as soon as possible, but no later than the beginning of the third year of the interim period, as provided for in Article V of the Declaration of Principles.

10. As regards the relations between Israel and the PLO, and without derogating from the commitments contained in the letters dated September 9, 1993 signed by and exchanged between the Prime Minister of Israel and the Chairman of the PLO, the two sides will apply between them the provisions contained in Article XII, paragraph 1, with the necessary changes.

11. The two Parties shall, within one month of signing the Agreement, invite the Governments of Jordan and Egypt to establish the Continuing Committee referred to in Article XII of the Declaration of Principles and in Article XVI of the Agreement.

12. The Government of Israel and the Palestinian Authority shall pass all necessary legislation to implement the Agreement.

13. The two Parties shall continue discussions on the following issues:
    (1) the size of the Jericho Area;
    (2) the positioning of a Palestinian official at the bridge;
    (3) additional arrangement in the Rafah passage; and
    (4) All outstanding issues specified in the Agreement."

    The Government of the State of Israel acknowledges and confirms the undertakings and commitments contained in this letter.

Sincerely,

Yitzhak Rabin
Prime Minister of Israel

AGREEMENT ON PREPARATORY TRANSFER OF POWERS AND RESPONSIBILITIES[4]

August 29, 1994

The Government of the State of Israel and the Palestine Liberation Organization (hereinafter "the PLO"), the representative of the Palestinian people;

PREAMBLE

WITHIN the framework of the Middle East peace process initiated at Madrid in October 1991;

REAFFIRMING their determination to live in peaceful coexistence, mutual dignity and security, while recognizing their mutual legitimate and political rights;

REAFFIRMING their desire to achieve a just, lasting and comprehensive peace settlement through the agreed political process;

REAFFIRMING their adherence to the mutual recognition and commitments expressed in the letters dated September 9, 1993, signed by and exchanged between the Prime Minister of Israel and the Chairman of the PLO;

REAFFIRMING their understanding that the interim self-government arrangements, including the preparatory arrangements to apply in the West Bank contained in this Agreement, are an integral part of the whole peace process and that the negotiations on the permanent status will lead to the implementation of Security Council Resolutions 242 and 338;

FOLLOWING the Agreement on the Gaza Strip and the Jericho Area as signed at Cairo on May 4, 1994 (hereinafter "the Gaza-Jericho Agreement");

DESIROUS of putting into effect the Declaration of Principles on Interim Self-Government Arrangements as signed at Washington, D.C. on September 13, 1993 (hereinafter "the Declaration of Principles"), and in particular Article VI regarding preparatory transfer of powers and responsibilities and the Agreed Minutes thereto;

HEREBY AGREE to the following arrangements regarding the preparatory transfer of powers and responsibilities in the West Bank:

[4] from:
http://snipurl.com/27b27ba

ARTICLE I
DEFINITIONS

For the purpose of this Agreement, unless otherwise indicated in the attached Protocols:

1. the term "the Palestinian Authority" means the Palestinian Authority established in accordance with the Gaza-Jericho Agreement;

2. the term "Joint Liaison Committee" means the Joint Israeli-Palestinian Liaison Committee established pursuant to Article X of the Declaration of Principles;

3. the term "Interim Agreement" means the interim agreement referred to in Article VII of the Declaration of Principles; and

4. the term "Israelis" also includes Israeli statutory agencies and corporations registered in Israel.

ARTICLE II
PREPARATORY TRANSFER OF POWERS AND RESPONSIBILITIES

1. Israel shall transfer and the Palestinian Authority shall assume powers and responsibilities from the Israeli military government and its Civil Administration in the West Bank in the following spheres: education and culture, health, social welfare, tourism, direct taxation and Value Added Tax on local production (hereinafter "VAT"), as specified in this Agreement (hereinafter "the Spheres").

2. For the purposes of this Agreement, the Palestinian Authority shall constitute the authorized Palestinians referred to in Article VI of the Declaration of Principles.

3. The Parties will explore the possible expansion of the transfer of powers and responsibilities to additional spheres.

ARTICLE III
SCOPE OF THE TRANSFERRED POWERS AND RESPONSIBILITIES

1. The scope of the powers and responsibilities transferred in each Sphere, as well as specific arrangements regarding the exercise of such powers and responsibilities are set out in the Protocols attached as Annexes I through VI.

2. In accordance with the Declaration of Principles, the jurisdiction of the Palestinian Authority with regard to the powers and responsibilities transferred by this Agreement will not apply to Jerusalem, settlements, military locations and, unless otherwise provided in this Agreement, Israelis.

3. The transfer of powers and responsibilities under this Agreement does not include powers and responsibilities in the sphere of foreign relations, except as indicated in Article VI(2)(b) of the Gaza- Jericho Agreement.

ARTICLE IV
MODALITIES OF TRANSFER

1. The transfer of powers and responsibilities in the sphere of education and culture pursuant to this Agreement will be implemented on August 29, 1994. The transfer of powers and responsibilities in the remaining Spheres will be implemented in accordance with Article XI below.

2. The transfer of powers and responsibilities shall be coordinated through the Civil Affairs Coordination and Cooperation Committee referred to in Article X below and shall be implemented in accordance with the arrangements set out in this Agreement in a smooth, peaceful and orderly manner.

3. Upon the signing of this Agreement, the Israeli side shall provide the Palestinian side with, or enable free access to, all information that is necessary for an effective and smooth transfer.

4. On the date of the transfer of powers and responsibilities, Israel shall also transfer all movable and immovable property which exclusively serves the offices of the Civil Administration in the Spheres, including premises, whether government-owned or rented, equipment, registers, files and computer programs. The treatment of property which serves the offices transferred to the Palestinian Authority as well as offices which are not so transferred will be as mutually agreed between the two sides, such as on the basis of sharing or exchange.

5. The coordination of the transfer of powers and responsibilities pursuant to this Article shall also include a joint review of the Civil Administration contracts the duration of which extends beyond the date of the transfer with a view to deciding which contracts will remain in force and which will be terminated.

ARTICLE V
ADMINISTRATION OF THE TRANSFERRED OFFICES

1. The Palestinian Authority shall be fully responsible for the proper functioning of the offices included in the Spheres and for the management of their personnel in all aspects, including employment and placement of employees, payment of their salaries and pensions and ensuring other employee rights.

2. The Palestinian Authority will continue to employ Palestinian Civil Administration employees currently employed in the offices included in each Sphere and shall maintain their rights.

3. The main office of each of the Spheres will be situated in the Jericho Area or in the Gaza Strip. The Palestinian Authority will operate the existing subordinate offices in the West Bank. The two sides may agree on the establishment of additional subordinate offices in the West Bank, if necessary, in such locations as mutually agreed.

4. The Palestinian Authority has the right to coordinate its activities in each of the Spheres with other Spheres in which it is empowered.

ARTICLE VI
RELATIONS BETWEEN THE TWO SIDES

1. With regard to each Sphere, the Palestinian Authority shall coordinate with the Civil Administration on issues relating to other spheres in which the Palestinian Authority is not empowered.

2. The military government and its Civil Administration shall assist and support the Palestinian Authority in promoting the effective exercise of its powers and responsibilities. In addition, the military government and its Civil Administration shall, in exercising their own powers and responsibilities, take into account the interests of the Palestinian Authority and do their utmost to remove obstacles to the effective exercise of powers and responsibilities by the Palestinian Authority.

3. The Palestinian Authority shall prevent any activities with a military orientation within each of the Spheres and will do its utmost to maintain decorum and discipline and to avoid disruption in the institutions under its responsibility.

4. The Palestinian Authority will notify the military government and its Civil Administration and will coordinate with them regarding any planned public large-scale events and mass gatherings within the Spheres.

5. Nothing in this Agreement shall affect the continued authority of the military government and its Civil Administration to exercise their powers and responsibilities with regard to security and public order, as well as with regard to other spheres not transferred.

ARTICLE VII
LEGISLATIVE POWERS OF THE PALESTINIAN AUTHORITY

1. The Palestinian Authority may promulgate secondary legislation regarding the powers and responsibilities transferred to it. Such legislation includes amendments and changes to the existing laws, regulations and military orders specified in Appendix A to each Annex.

2. Legislation promulgated by the Palestinian Authority shall be consistent with the provisions of this Agreement.

3. Legislation promulgated by the Palestinian Authority shall be communicated to Israel which may, within a period of thirty (30) days, notify the Palestinian Authority that it opposes such legislation for any of the following reasons:

   a. it exceeds the powers and responsibilities transferred to the Palestinian Authority;

   b. it is inconsistent with the provisions of this Agreement; or

   c. it otherwise affects legislation or powers and responsibilities which were not transferred to the Palestinian Authority.

4. Where Israel opposes proposed legislation, it shall specify the reason for the opposition.

5. If Israel has no reservations concerning the proposed legislation, it shall accordingly notify the Palestinian Authority at the earliest opportunity. If at the end of the thirty-day period Israel has not communicated any opposition concerning the proposed legislation, such legislation shall enter into force.

6. The Palestinian Authority may, in the event of opposition to the proposed draft legislation, submit a new draft or request a review by the Legislation Subcommittee established under the Gaza-Jericho Agreement.

7. The Legislation Subcommittee shall attempt to reach a decision on the merits of the matter within thirty days. If the Legislation Subcommittee is unable to reach a decision within this period, the Palestinian Authority shall be entitled to refer the matter to the Joint Liaison Committee. The Joint Liaison Committee shall consider the matter immediately and will attempt to settle it within thirty days.

8. Where, upon communicating to Israel proposed legislation consisting of detailed technical regulations, the Palestinian Authority states that such regulations fulfill the requirements of paragraph 3 above and requests a speedy review, Israel shall immediately respond to such a request.

9. Legislation regarding the West Bank shall be published as a separate part of any publication of legislation regarding the Gaza Strip and the Jericho Area issued by the Palestinian Authority.

ARTICLE VIII
LAW ENFORCEMENT

1. The Palestinian Authority may bring disciplinary proceedings concerning persons it employs in the West Bank before disciplinary tribunals operating in the Gaza Strip or the Jericho Area.

2. The Palestinian Authority may, within each of the Spheres, authorize employees to act as civilian inspectors to monitor compliance with laws and regulations in that Sphere, within the powers

and responsibilities transferred to the Palestinian Authority. Such inspectors shall operate in each Sphere separately and shall not be organized into a central unit. These inspectors shall not wear uniforms or carry arms, and shall not in any other way have the nature of a police force. They shall be required to carry the identification documentation referred to in paragraph 3 below. The number of employees to be authorized as civilian inspectors shall be agreed upon by both sides. The names of these employees shall be notified to Israel and, where these employees enjoy privileges pursuant to subparagraph 3 below, shall be agreed upon by both sides.

3. The Palestinian Authority shall issue the civilian inspectors in the West Bank with identification documentation specifying the office in which they are employed. Such documentation shall be used for identification and will not grant privileges, except those agreed in the Civil Affairs Coordination and Cooperation Committee referred to in Article X below, or immunities. This committee shall determine the format of the identification documentation.

4. Except as specifically provided in this Agreement, all powers and responsibilities regarding law enforcement, including investigation, judicial proceedings and imprisonment, will continue to be under the responsibility of the existing authorities in the West Bank.

ARTICLE IX
RIGHTS, LIABILITIES AND OBLIGATIONS

1.

a. The transfer of powers and responsibilities to the Palestinian Authority under this Agreement will include all related rights, liabilities and obligations arising with regard to acts or omissions which occurred prior to the transfer. Israel and the Civil Administration will cease to bear any financial responsibility regarding such acts or omissions and the Palestinian Authority will bear all financial responsibility for these and for its own functioning.

b. Any financial claim made in this regard against Israel or the Civil Administration will be referred to the Palestinian Authority.

c. Israel shall provide the Palestinian Authority with the information it has regarding pending and anticipated claims brought before any court or tribunal against Israel or the Civil Administration in this regard.

d. Where legal proceedings are brought in respect of such a claim, Israel will notify the Palestinian Authority and enable it to participate in defending the claim and raise any arguments on its behalf.

e. In the event that an award is made against Israel or the Civil Administration by any court or tribunal in respect of such a claim, the Palestinian Authority shall, once the award has been paid by Israel, reimburse Israel the full amount of the award.

f. Without prejudice to the above, where a court or tribunal hearing such a claim finds that liability rests solely with an employee or agent who acted beyond the scope of the powers assigned to him or her, unlawfully or with willful malfeasance, the Palestinian Authority shall not bear financial responsibility.

g. Notwithstanding subparagraphs 1.d through 1.f above, Israel may, pursuant to agreement within the Legal Subcommittee of the CAC established under the Gaza-Jericho Agreement, request an Israeli court or tribunal to dismiss a claim brought before it and, with regard to a pending claim, dismiss the claim and transfer the proceedings to a local court or tribunal.

h. Where a claim has been so transferred or where a new claim has been brought in a local court or tribunal subsequent to the dismissal of the claim pursuant to subparagraph 1.g above, the Palestinian Authority shall defend it and, in accordance with subparagraph 1.a above, in the event that an award is made for the plaintiff, shall pay the amount of the award.

i. The Legal Subcommittee referred to in subparagraph 1.g above shall agree on arrangements for the transfer of proceedings from Israeli courts or tribunals pursuant to subparagraph 1.g above and, where necessary, for the provision of legal assistance by Israel to the Palestinian Authority in defending such claims.

2. In accordance with paragraph 1 above:

a. The Palestinian Authority may bring legal proceedings in respect of any acts or omissions relating to powers and responsibilities transferred under this Agreement which occurred prior to the date of the transfer. Israel shall provide the Palestinian Authority with the legal assistance necessary to bring such proceedings.

b. The Palestinian Authority may collect any taxes due under Annexes V and VI on the date of the transfer of powers and responsibilities in respect of these taxes, and shall assume responsibility for the payment of any rebates or refunds.

c. Subject to the provisions of this Article, the transfer of powers and responsibilities in itself shall not affect rights, liabilities and obligations of any person or legal entity, in existence at the date of signing of this Agreement.

ARTICLE X
LIAISON AND COORDINATION

1. The Joint Civil Affairs Coordination and Cooperation Committee established in accordance with the Gaza-Jericho Agreement, (hereinafter "the CAC"), will deal with all issues of mutual concern regarding this Agreement.

2. The operation of the CAC shall not impede daily contacts between representatives of the Civil Administration and the Palestinian Authority in all matters of mutual concern.

ARTICLE XI
BUDGETARY ISSUES

1. The military government and its Civil Administration shall provide the Palestinian Authority with full information concerning the budget of each Sphere.

2. The Palestinian Authority shall immediately employ personnel who will promptly begin the process of becoming acquainted with the current budget issues. On the date of the transfer of powers and responsibilities in each of the Spheres, these personnel will assume responsibility for all accounts, assets and records on behalf of the Palestinian Authority.

3. Israel shall continue to provide the services of Israeli experts currently employed in the fields of income tax and VAT to ensure a smooth transition and efficient establishment of the taxation system of the Palestinian Authority. The terms of their employment shall be agreed upon by the two sides.

4. The Palestinian Authority will do its utmost to establish its revenue collection system immediately with the intent of collecting direct taxes and VAT.

5. The two sides will jointly approach the donor countries during the upcoming meetings of the Consultative Group and of the Ad Hoc Liaison Committee, scheduled for September 8 through 10, 1994 in Paris, with a request to finance the shortfall that may be created in the collection of the direct taxes and the VAT during the initial period while the Palestinian Authority establishes its own revenue collection system.

6. The two sides will meet no later than three days after the conclusion of these meetings in order to decide on the date of transfer of powers and responsibilities in the remaining Spheres, based, among other things, on the response of the donor countries to the joint request.

7. The CAC will provide the donor countries, when necessary, with information to help adjust the allocation of contributions as a result of variations in tax collection.

8. The Palestinian Authority shall also assume full responsibility for any additional expenditures beyond the agreed budget which is attached as Schedule 1, as well as for any shortfall in tax collection that is not actually covered by the donor countries.

9. If actual revenues from the Spheres, including the donor contributions, exceed the budgeted revenues, the excess shall be applied to development of the Spheres.

10. The inclusion of the sphere of VAT in the spheres to be transferred to the Palestinian Authority shall constitute the adjustment referred to in paragraph (3) of the Agreed Minute to Article VI(2) of the Declaration of Principles, and no further adjustment shall be required.

ARTICLE XII
MUTUAL CONTRIBUTION TO PEACE AND RECONCILIATION

With regard to each of the Spheres, Israel and the Palestinian Authority will ensure that their respective systems contribute to the peace between the Israeli and Palestinian peoples and to peace in the entire region, and will refrain from the introduction of any motifs that could adversely affect the process of reconciliation.

ARTICLE XIII
FINAL CLAUSES

1. This Agreement shall enter into force on the date of its signing.

2. The arrangements established by this Agreement are preparatory measures and shall remain in force until and to the extent superseded by the Interim Agreement or by any other agreement between the Parties.

3. Nothing in this Agreement shall prejudice or preempt the outcome of the negotiations on the Interim Agreement or on the permanent status to be conducted pursuant to the Declaration of Principles. Neither Party shall be deemed, by virtue of having entered into this Agreement, to have renounced or waived any of its existing rights, claims or positions.

4. The two Parties view the West Bank and the Gaza Strip as a single territorial unit, the integrity of which will be preserved during the interim period.

5. The Gaza Strip and the Jericho Area shall continue to be an integral part of the West Bank and the Gaza Strip. The status of the West Bank shall not be changed for the period of this Agreement. Nothing in this Agreement shall be considered to change this status.

6. The Preamble to this Agreement and the Annexes, Appendices and Schedules attached hereto, shall constitute an integral part hereof.

Done at Erez this twenty-ninth day of August 1994.

For the
Government of the State of Israel

_____

For the PLO

_____

AGREEMENT ON PREPARATORY TRANSFER OF POWERS AND RESPONSIBILITIES

Schedule 1

Six-month Budget for the Spheres	**($ Million)**
Education and Culture	26.2
Health	18.7
Social Welfare	4.3
Tourism	0.075
Direct Taxes	2.3
VAT	3.0
Total Expenditures	*54.58*
Income Tax	23.15
VAT	22.15
Property Tax	0.215
Health Insurance	9.06
Total Revenues	*54.58*

Annex I

Protocol Concerning Preparatory Transfer of Powers and Responsibilities in the Sphere of Education and Culture

1. The powers and responsibilities of the military government and its Civil Administration in the sphere of education and culture will be transferred to and will be assumed by the Palestinian Authority.

2. The sphere of education and culture shall include all matters dealt with in the laws, regulations and military orders listed in Appendix A, as well as the responsibility over higher education, special education, cultural and educational training activities, cultural and educational institutions and programs, and private, public, non-governmental or other educational or cultural activities or institutions.

Appendix A
Laws, Regulations and Military Orders in the Sphere of Education and Culture

1. Education Law, No. 16, 1964
2. Regulations regarding the Structure of the Ministry of Education and Culture, No. 21, 1965
3. Regulations regarding the Collection of Contributions in Schools, No. 22, 1965
4. Regulations regarding the Structure of Managers' Offices in the Districts and Regions, No. 24, 1965
5. Regulations regarding Licensing of Teaching, No. 23, 1965
6. Regulations regarding Scientific Delegations, No. 155, 1966
7. Regulations regarding Grants for Educational Programs and Textbooks, No. 1, 1965
8. Regulations regarding the Appointment of Women Teachers, No. 2, 1965
9. Regulations regarding Needy Heirs of Education and Culture Employees, No. 57, 1960
10. Regulations regarding the Jordanian Committee for Arabization, Translation and Publishing, No. 11, 1967
11. Regulations regarding Private Educational Institutions, No. 27, 1966
12. Regulations regarding Adult Education and the Elimination of Illiteracy, No. 120, 1965
13. Regulations regarding Cultural Centers, No. 28, 1966
14. Regulations regarding the Jordanian Scientific Research Council, No. 53, 1964
15. Regulations regarding the Nationalization of Textbooks, No. 4, 1956
16. Regulations regarding the Education Tax, No. 1, 1956
17. Regulations regarding the Financing of Examinations and Certificates of High Schools and Secondary Education, No. 39, 1967
18. Order regarding the Education Law No. 16 of 1964 (Amendment No. 2) (Judea and Samaria), No. 1076, 1983
19. Order regarding the Use of Textbooks (Judea and Samaria) (Amendment), No. 183, 1967
20. Regulations regarding General Examination Fees in the Teachers' Colleges, 1991
21. Directives regarding Success, Completion and Failure in Schools, No. 1, 1965
22. Directives regarding General Matriculation Examinations, No. 2, 1965

23. Order regarding Education Tax (Judea and Samaria), No. 501, 1972
24. Civil Service Regulations, No. 23, 1966, including Amendments Nos. 14, 28, 61 and 92
25. Regulations for Dispatch of Scientific Delegations, No. 115, 1966, including Amendments Nos. 16 and 43
26. Regulations regarding Employee Pensions and Social Insurance, No. 6, 1966, including Amendments Nos. 116 and 183
27. Financial Regulations, No. 1, 1951
28. Requisition Regulations, No. 87, 1965
29. Regulations regarding Employees Commuting to and from Work, No. 18, 1967, including Amendment No. 73
30. Regulations regarding the Provision of Honors for Employees, No. 9, 1966.
31. Regulations regarding Issuing Certificates and Diplomas, No. 15, 1966
32. Regulations regarding Graduation Examinations, No. 17, 1966, including Amendment No. 71
33. Regulations regarding Placement of Administrative employees, No. 1, 1966
34. Regulations regarding the Provision of Student Services, No. 58, 1964
35. Regulation regarding the Provision of Assistance to Students, No. 5, 1960, including Amendment No. 25
36. Regulations regarding the Scouts Youth Movement, No. 1, 1957
37. Regulations regarding Summer Seminars, No. 34, 1960
38. Regulations regarding the Leasing of Properties for Government Service, No. 16, 1961, including Amendment No. 153
39. Regulations regarding the Acquisition of Books for School and College Libraries, No. 11, 1966, including amendment No. 153
40. Regulations regarding Health Insurance for Employees, No. 104, 1965
41. Regulations regarding Colleges, No. 151, 1966
42. Regulations regarding the Evaluation of Certificates, No. 110, 1966, including Amendment No. 74
43. Law regarding Student Transfer, No. 7, 1967
44. Regulations regarding Room and Board, No. 36, 1967

Annex II

Protocol Concerning Preparatory Transfer of Powers and Responsibilities in the Sphere of Health

The powers and responsibilities of the military government and its Civil Administration in the sphere of health will be transferred to and will be assumed by the Palestinian Authority.

1. The sphere of health shall include all matters dealt with in the laws, regulations and military orders listed in Appendix A, including the responsibility over all health institutions, whether private, public, non-governmental or other.

2. In exercising its security authority, the military government will do its utmost to respect the dignity of patients and medical staff and will act with a view to prevent any damage to medical installations or equipment.

3. The transfer of powers and responsibilities to the Palestinian Authority shall not affect the authority of Israel and of the Israeli military government in the West Bank to exercise its powers and responsibilities in criminal matters, such as the performance of autopsies, the investigation of narcotic offenses, etc.

4. The Palestinian Authority shall inform the Civil Administration in a routine manner of births or deaths occurring within the medical institutions under its responsibility.

5. The Palestinian Authority shall apply the present standards of vaccination of Palestinians and shall improve them according to internationally-accepted standards in the field.

6. The Palestinian Authority shall take necessary measures to ensure that the health institutions and medical staff under its responsibility inform the Civil Administration in the West Bank of any Israeli hospitalized in a Palestinian hospital upon his or her admission.

   Arrangements for moving such hospitalized Israelis shall be agreed upon.

7. The Palestinian Authority shall take necessary measures to ensure that the health institutions and medical personnel under its responsibility inform the Israel Police in the West Bank of any person wounded by any kind of weapon or explosive who is treated or hospitalized in a Palestinian medical institution, upon his or her admission, and of any death from unnatural causes.

8. The Palestinian Authority shall make available for transfer the corpse of any deceased from unnatural causes, for an autopsy in the Institute of Forensic Medicine, immediately upon request by the military commander.

Upon request of the Palestinian Authority, a Palestinian physician may be present at any autopsy performed, provided that the participation of the said representative shall not inordinately delay the performance of the autopsy.

The Palestinian Authority shall ensure that no prior autopsy of the corpses so transferred shall be conducted.

9. Israel and the Palestinian Authority shall exchange information regarding epidemics and contagious diseases, shall cooperate in combatting them, and shall develop methods of exchange of medical files and documents.

10. The Palestinian Authority shall enter into agreements with the Israeli medical institutions on arrangements regarding complementary medical services for Palestinians in these institutions including their hospitalization in Israeli hospitals. Israel shall assist the Palestinian Authority in reaching such agreements as necessary.

11. The health systems of Israel and of the Palestinian Authority will maintain good working relations in all matters, including mutual assistance in providing first aid in cases of emergency, medical instruction, professional training and exchange of information.

12. A joint committee of experts will discuss health issues that require coordination and cooperation between the Palestinian Authority and the relevant departments of the Civil Administration, including, inter alia, the environment department.

13. A committee will be established to facilitate coordination and cooperation on health and medical issues between the Palestinian Authority and the Israeli Ministry of Health.

Appendix A
Laws, Regulations and Military Orders in the Sphere of Health

1. Public Health Law No. 43, 1966, except for articles 7(1), 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 69, 70, 71, 72, 73, 74, 75, 76, 77 article 10(2) but not including supervision over water sources; article 15 but only when approved by the military commander
2. Regulations regarding Supervision of Medications and their Manufacture, No. 134, 1966, only with regard to medications
3. Regulations regarding Health Insurance, No. 146, 1966
4. Regulations regarding Burial of Deceased, Cemeteries, Transfer of Bodies and Re-opening of Graves, 1981, except for articles 5, 7, 8(a), 9, 10, 11, 12, 13, 14, 15
5. Regulations regarding Public Health Supervision of Radiation Equipment for Medical Treatment, 1981
6. Pharmacologists' Bureau Law, No. 10, 1957
7. Order regarding the Pharmacologists' Bureau Law, No. 10, 1957, (Amendment), No. 1053, 1983
8. Internal Regulations of the Pharmacologists' Bureau, 1961, as amended 1980

9. Order regarding Medical and Sanitation Professions (Licensing and Practice), No. 745, 1978
10. Medical Association Law, No. 14, 1954
11. Dental Association Law, No. 11, 1956
12. Internal Regulations of the Dental Association, 1960
13. Order regarding Health Services, No. 746, 1978
14. Order regarding Notification of Casualties, No. 163, 1967
15. Regulation regarding Health Services, 1978
16. Notification regarding Health Services, Program of Health Services and Payment for Health Services, 1981
17. Order regarding Dangerous Drugs, No. 558, 1973
18. Order regarding Cosmetics, No. 1103, 1983
19. Regulations regarding Cosmetics (Fees), 1984

Annex III

Protocol Concerning Preparatory Transfer of Powers and Responsibilities in the Sphere of Social Welfare

1. The powers and responsibilities of the military government and its Civil Administration in the sphere of social welfare will be transferred to and will be assumed by the Palestinian Authority.

2. The sphere of social welfare shall include all matters dealt with in the laws, regulations and military orders listed in Appendix A, as well as responsibility over governmental and non-governmental organizations and institutions, including charitable societies and institutions and voluntary and non-profit organizations.

3. The Palestinian Authority will supervise registered foreign organizations of the type mentioned in paragraph 2 above, that currently operate in the West Bank and will register others only if their goals are not inconsistent with the peace process.

4. The transfer of powers and responsibilities to the Palestinian Authority shall not affect the continued authority of the military government and its Civil Administration to exercise their powers and responsibilities for security and public order as well as for other spheres not transferred, including, inter alia, the establishment of a vice squad.

5. The Palestinian Authority may exercise the Regulation on Welfare Insurance for Civil Servants (No. 6 of 1966) with regard to its employees.

6. Juvenile Offenders

   Israel and the Palestinian Authority will determine arrangements for the following:

   a. The serving of sentences in the West Bank passed by courts in Israel concerning juvenile offenders, residents of the West Bank.

   b. The transfer of information necessary for the preparation of briefs by probation officers in connection with juvenile offenses.

7. Confidentiality

   Arrangements will be made to protect confidentiality and individual privacy in the exchange of information between Israel and the Palestinian Authority in the sphere of social welfare.

8. The respective social welfare systems of Israel and the Palestinian Authority will maintain a positive working relationship in all aspects, including general and professional training, and the exchange of information.

Appendix A
Laws, Regulations and Military Orders in the Sphere of Social Welfare

1. Bureau of Social Affairs Law, No. 14, 1956
2. Social Assistance Regulations, No. 14, 1959
3. Regulations regarding Assistance to Youth, No. 48, 1959
4. Amended Law regarding Assistance to Youth, No. 16, 1954
5. Regulations regarding the Collection of Charitable Donations, No. 1, 1957
6. Regulations regarding the Collection of Charitable Donations, No. 103, 1963
7. Regulations regarding Assistance to University Students, No. 5, 1960, except for Articles 5 and 6
8. Regulations regarding Assistance and Rehabilitation, No. 42, 1963
9. Law regarding Charitable Societies and Social Welfare Institutions, No. 33, 1966
10. Jordanian Regulations regarding Social Services Institutions, No. 128, 1965
11. Regulations regarding Foster Families, No. 70, 1963

Annex IV

Protocol Concerning Preparatory Transfer of Powers and Responsibilities in the Sphere of Tourism

1. The powers and responsibilities of the military government and its Civil Administration in the sphere of tourism will be transferred to and will be assumed by the Palestinian Authority.

2. The sphere of tourism shall include all matters dealt with in the laws, regulations and military orders listed in Appendix A.

   This includes the responsibility for regulating, licensing, grading, supervising and developing the tourist industry and its services within the scope of such terms in the laws, regulations and military orders listed in Appendix A, as well as maintaining and promoting foreign and domestic tourism, developing visitors' interest in tourist sites and encouraging the development of tourist services around them in coordination with the Civil Administration, or if the site is under the responsibility of another authority - in coordination with that other authority. It also includes organizing exhibitions, popular and cultural festivals and events and tourism conferences.

   This sphere shall cover tourism activities conducted by private, public, non-governmental and foreign bodies.

3. In exercising its security authorities, the military government will take into account tourism considerations with the objective of minimizing any harmful effect on the industry or any consequences that may prejudice its productivity and continued development.

4. The military government and its Civil Administration will assist and support the Palestinian Authority in developing the tourism industry, promoting the expansion of tourist facilities such as hotels, restaurants and travel agencies, and in removing obstacles that may hinder the growth of the industry.

5. The transfer of powers and responsibilities to the Palestinian Authority shall not affect the continued authority of the military government and its Civil Administration to exercise their powers and responsibilities for security and public order as well as for other spheres, including the sites referred to in paragraph 2 above, authority over which has not been transferred.

6. The tourism authorities of Israel and the Palestinian Authority shall promote and encourage tourism to the region for the benefit of both sides.

7.

   a. Travel agents, tour companies, tour guides and other tourism businesses (hereinafter "tourism entities") authorized by the Palestinian Authority will be allowed to conduct tours that include Israel, provided that their authorization as well as their operation is in

accordance with rules, professional requirements and standards agreed upon in the subcommittee on tourism of the JEC.

b. Pending that agreement, existing tourism entities in the West Bank that are currently allowed to conduct tours that include Israel, will be allowed to continue to do so.

8. Tour buses or any other forms of tourist transport authorized by the Palestinian Authority, and operated by companies registered and licensed by it, will be allowed to enter and proceed on their tour in Israel if such buses or other vehicles conform with the standards currently in effect in the West Bank and provided that they conform with international standards that have been adopted. All such vehicles will be clearly marked as tourist vehicles.

9. Tourism companies and agencies licensed by the Palestinian Authority shall enjoy equal access to tourism-related facilities and amenities in border points of exit and entry according to the regulations of the Israeli authorities.

10. A joint committee will be established between Israel and the Palestinian Authority to facilitate coordination and cooperation on tourism issues, including the promotion of tourism.

Appendix A
Laws, Regulations and Military Orders in the Sphere of Tourism

1. Temporary Tourism Law, No. 45, 1965, except for articles 2(4)E, 4(1), 4(5), 7(2), 7(3), 14(3) article 2(5) except for provisions regarding Tourism Regions
2. Regulations regarding Equipment and Promotional Services and Constructive Activities of the Tourism Authority, No. 44, 1966
3. Financial Regulations of the Tourism Authority, No. 45, 1966
4. Tourism and Travel Agency Regulations, No. 46, 1966
5. Regulations regarding Commercial Oriental Souvenir Emporiums, No. 47, 1966
6. Regulations regarding Commercial Oriental Souvenir Emporiums, (Amendment No. 6) (Judea and Samaria), 1988
7. Regulations regarding Tour Guides and their Supervision, No. 48, 1966
8. Regulations regarding Guest Houses and their Supervision, No. 49, 1966
9. Order regarding Temporary Law for Tourism, No. 45, 1965 (Judea and Samaria), No. 917, 1981
10. Regulations regarding Tourism and Travel Agencies (Amendments 1-4) (Judea and Samaria), 1976
11. Regulations regarding Commercial Oriental Souvenir Emporiums (Amendment No. 3) (Judea and Samaria), 1982
12. Regulations regarding Commercial Oriental Souvenir Emporiums (Amendments 1-6), 1976, 1980, 1987, 1988
13. Regulations regarding Tour Guides and their Supervision (Amendment No. 5) (Judea and Samaria), 1988
14. Regulations regarding the Prohibition on Acceptance of Commissions by Tour Guides, 1976
15. Decision regarding Escorting Tourists as a Branch of Tourism (Judea and Samaria), 1982
16. Regulations regarding Guest Houses and their Supervision (Amendments 3 and 4), 1988, 1990

17. Instructions regarding Guest Houses and their Supervision (Minimal Standards for Ungraded Hotels) (Judea and Samaria), 1975
18. Instructions regarding Guest Houses and their Supervision (Principles of Hotel Grading) (Judea and Samaria), 1976
19. Instructions regarding Guest Houses and their Supervision (Offering Drinking Water and Citrus Fruits during Meals) (Judea and Samaria), 1985
20. Regulations regarding Tourism Offices (Judea and Samaria), 1989
21. Regulations regarding Licensed Tourist Emporiums (Judea and Samaria), 1977

Annex V

Protocol Concerning Preparatory Transfer of Powers and Responsibilities in the Sphere of Direct Taxation

1. The powers and responsibilities of the Civil Administration in the sphere of direct taxation regarding income tax on income accrued or derived in the West Bank will be transferred to and will be assumed by the Palestinian Authority.

   Powers and responsibilities regarding property tax will continue to be exercised by the Civil Administration, though the income from this tax will be transferred to the Palestinian Authority, after deducting the sums due to the municipalities.

2. The sphere of direct taxation shall include all matters dealt with in the laws, regulations and military orders listed in Appendix A, subject to the principles set forth below.

3. Without derogating from the principle of territoriality in taxation, i.e., the right of each tax administration to levy the income tax on income generated by economic activity in its area, and in accordance with the Declaration of Principles and with the Gaza-Jericho Agreement:

   a. The Palestinian Authority will levy and collect income tax on Palestinians in respect of income accrued or derived in the West Bank outside the settlements and the military locations.

   b.
      (1) The Civil Administration will levy and collect income tax on Israelis in respect of income accrued or derived in the West Bank outside the settlements and the military locations by any business or service which accrues or derives an annual turnover in the West Bank outside the settlements and military locations exceeding $7,000 US.
      (2) The tax will be levied in accordance with the Palestinian tax code in force in the West Bank.
      (3) The Civil Administration will remit the tax collected to the Palestinian Authority.
      (4) For the purpose of subparagraph 3(b)(1) above and paragraph 5 below, changes in the legislation regarding the definition of "accrued or derived" income shall be made in the subcommittee established under paragraph 9.
      (5) In the event of disagreement regarding the implementation of this paragraph when the Palestinian Authority considers that a business or service should be taxed under this subparagraph, it may refer the matter to the above mentioned subcommittee.

4.
   a. For the purpose of this Annex, and for the purpose of the application of Appendix B to this Annex –

(1) A corporation will be regarded as either a Palestinian or an Israeli if the majority of its shares which grant rights to distribution of profits are held by Palestinians or by Israelis, respectively.
(2) For the purpose of subparagraph a. above, shares held by foreigners will be considered as shares held by Palestinians, except with regard to corporations operating within the settlements and military locations.

b. Income accruing to a partnership or derived by it will be attributed to its partners in accordance with their respective rights to profits and taxed in accordance with the provisions of this Annex.

c. With regard to corporations in which Israelis and Palestinians hold shares granting equal rights to distribution of profits, corporation tax will be levied equally on each shareholder by the relevant tax authority, in accordance with the principles of this Annex.

5. In the case of income accrued or derived by a foreigner, outside the settlements and the military locations, income tax will be levied and collected by the Palestinian Authority.

6.

a. When an Israeli, including the military government and its Civil Administration, remits payment to a Palestinian and the payment is income taxable by the Palestinian Authority, the Israeli will deduct tax at source in accordance with the rules of the Palestinian tax code regarding the deduction at source by Palestinian payers and transfer it to the Civil Administration.

b. All activity relating to the assessment and collection of such deductions will be carried out by the Civil Administration or by Israel.

c. The Civil Administration will transfer such deductions to the Palestinian Authority in a manner to be agreed upon.

d. Procedures for implementation of the above mentioned arrangement for deduction at source will be determined by the Joint Economic Committee established under the Gaza-Jericho Agreement.

e. Pending the determination of the above mentioned procedures:
(1) the present system of tax deduction at source from wages and salaries will continue to apply with regard to payments to Palestinian employees; and
(2) until 31 December, 1994, tax will be deducted at source at the rate of 5% from other payments to Palestinians referred to in subparagraph a. above, subject to existing certificates concerning the reduction of deduction at source which shall continue to remain in force notwithstanding their initial date of expiration.

As of January 1, 1995, deduction at source from such payments will be effected only on the basis of the procedures to be agreed upon.

7.

a. When a Palestinian remits payment to an Israeli, there will be no tax deduction at source.

b. The Palestinian Authority may transfer to the Civil Administration information regarding such payments where it considers that the income of the Israeli falls under paragraph 3(b) above, in order to assist the Civil Administration in levying tax on such income.

c. The Civil Administration will transfer to the Palestinian Authority, on a bimonthly basis, the sums collected from Israelis as advance payments in respect of taxes to be collected by the Civil Administration under paragraph 3(b) above.

   Each tax year there will be a settling of accounts between the Civil Administration and the Palestinian Authority with regard to the final tax collected according to paragraph 3(b), taking into account the aforementioned advance payments and any necessary resultant tax refunds.

d. Foreigners who are subject to income tax levied by the Palestinian Authority will deduct tax at source in the same manner as Palestinians.

8. Until the Interim Agreement enters into force, Israel will transfer to the Palestinian Authority a sum equal to 75% of the income taxes collected by Israel from Palestinians employed in the settlements and military locations and in Israel.

9. The two sides will establish a joint committee composed of representatives of both tax authorities. This committee will discuss cases where one side wishes to tax businesses or services subject to the tax authority of the other side as well as cases where it is not clear by which side tax should be levied and all cases concerning double taxation.

10. Tax enforcement by the Palestinian Authority shall be in accordance with the principles set out in attached Appendix B.

Appendix A
Laws, Regulations and Military Orders in the Sphere of Direct Taxation

1. Income Tax Law, No. 25, 1964, except article 74(1), and as follows (article numbers relate to Hebrew version): 28(a)(4)-(5) - will apply to civil examinations (not to criminal investigations); 29b, 34a(a)(2), 34a(d), 49(3), 54(3), 57, 63(c)-(d), 64, 66(4) - will be subject to the principles regarding tax enforcement; 44(1) - will not apply to the military government, the Civil Administration and their employees; 21, 62, 63(c), Chapter 16 - will be subject to the principles regarding the tax enforcement;
2. Regulations regarding Depreciation for Income Tax Purposes, No. 15, 1965
3. Regulations regarding Income Tax Deductions at Source from Salaries, No. 16, 1965
4. Regulations regarding Income Tax (Bookkeeping), 1988 (which adopted the regulations regarding Bookkeeping, 1985)
5. Regulations regarding Income Tax (Forms Required for Deductions at Source), 1987

6. Regulations regarding Income Tax (Determining Payments for Services or Goods and for Contracting as an Income), 1978
7. Regulations regarding Income Tax (Deduction at Source from Payments for Services or Goods and for Contracting), 1978
8. Regulations regarding Income Tax (Determining Payments for Construction Work and Shipping as an Income), 1986
9. Order regarding Encouragement of Capital Investment, No. 1342, 1991 - with regard to income tax exemptions; except for articles 26, 27 and 28, 29 and 30 - will be subject to the principles regarding tax enforcement

Appendix B
Tax Enforcement

1. With regard to tax enforcement, the Palestinian Authority shall have the powers and responsibilities set out in this Appendix, except in relation to criminal offenses.

2. Gathering of Information

   Concerning gathering of information, the Palestinian Authority shall be authorized to:

   a. Demand and seize documents, information and other relevant financial records from the assesse and any relevant third party.

   b. require the appearance of any person at the taxation authorities' offices in the West Bank and require that person to provide all relevant reports and documents; and

   c. Enter any permanent place of business or residence of any person being assessed.

3. Tax Collection

   For the purpose of tax collection, the Palestinian Authority shall be authorized to take the following measures:

   a. attachments not relating to immovable property effected by the service of documents without requiring any physical action, such as bank accounts;

   b. attachment of monies and chattels in the debtor's permanent place of business or residence only;

   c. public auctions of the attached property or assets;

   d. requests from the local courts in the West Bank to issue restraining orders prohibiting the debtor to travel abroad; and

e. requests from the local courts in the West Bank to issue civil imprisonment orders against tax defaulters.

4. Appeals Proceedings

The Palestinian Authority may establish a tax court in the West Bank for the purpose of hearing appeals with regard to assessments and bookkeeping. The details of this tax court shall be agreed in the CAC. Until the establishment of this tax court, such appeals shall continue to be heard by the local courts.

5. Scope

a. The Palestinian Authority shall not be authorized to take any enforcement measures against Israelis.

b. The Palestinian Authority shall not have the power to exercise enforcement measures affecting, directly or indirectly, the military government or its Civil Administration. The two sides will agree upon the mode and procedures regarding enforcement measures that require the cooperation of the military government and its Civil Administration, with a view to assisting the Palestinian Authority in carrying out its enforcement measures, subject to considerations of security and public order.

c. The use of force required for the exercise of tax enforcement measures shall be effected only by the Israeli authorities. Israel shall provide the Palestinian Authority with the necessary assistance in this regard.

d. The enforcement measures set out in this Appendix shall be exercised by the Palestinian Authority solely for tax collection and shall not be exercised for any other purpose.

6. Cooperation and Exchange of Information

Israel and the Palestinian Authority shall cooperate, including by exchanging information, to assist each other in the exercise of their powers and responsibilities with regard to tax enforcement.

7. Legislation Regarding Tax Enforcement

Subject to the principles set out in this Appendix, the Palestinian Authority is authorized, in addition to the measures included in the legislation set out in Appendix A, to take tax enforcement measures included in the following legislation:

a. Law regarding Collection of Public Monies, No. 6, 1952, except for articles 10, 11, 12A (appeals will be brought before the local courts), 14, 16(A) (with regard to payments owed by the Palestinian Authority)
b. Order regarding Amendment of the Collection of Public Monies Law, No. 113, 1967
c. Rules regarding Collection of Public Monies, 1988, except for articles 4(b)-(c), 22, 23

d. Rules regarding Collection of Public Monies (Imprisonment of a Debtor), 1991
e. Order regarding Taxes (Fine for Late Payment), No. 1296, 1990
f. Order regarding Rounding Off of Sums, No. 1164, 1986
g. Order regarding Tax Collection (Auxiliary Authorities) (Temporary Order), No. 1262, 1989 - with regard to permits and services provided by the Palestinian Authority

Annex VI

Protocol Concerning Preparatory Transfer of Powers and Responsibilities in the Sphere of VAT on Local Production

1. The powers and responsibilities of the Civil Administration in the sphere of VAT on local production in the West Bank will be transferred to and will be assumed by the Palestinian Authority.

2. For the purpose of this Annex the term "VAT" shall refer to Value Added Tax on local production imposed on the sale of assets and the provision of services by dealers.

3. The sphere of VAT shall include all matters dealt with in the laws, regulations and military orders listed in Appendix A, subject to the principles set forth in this Annex.

4. In accordance with Protocol IV of the Gaza - Jericho Agreement, while the prevailing system and principles of VAT in the West Bank will continue to apply, the Palestinian VAT rate shall not be lower than 15% to 16% and the maximum annual turnover for dealers to be exempt from VAT will be decided by the Palestinian Authority, within an upper limit of 12,000 US dollars.

5. Subject to paragraph 6 below, each side will register for VAT purposes dealers who are subject to its powers and responsibilities, notwithstanding the place of their activity.

6.
   a. Ongoing permanent businesses will register for VAT purposes with the VAT administration of the side exercising powers and responsibilities in the place in which they are situated.

   b. Notwithstanding subparagraph 6.a, ongoing permanent Israeli businesses situated outside the settlements and military locations will be registered for VAT purposes with the Civil Administration. The rules of Palestinian VAT legislation will apply to these businesses.

      The Civil Administration will transfer to the Palestinian Authority the net VAT collected from these businesses, after deduction of their refunds.

7. For the purpose of this Annex, and for the purpose of the application of Appendix B of Annex V to this Annex pursuant to paragraph 17 below –

   a. A corporation will be regarded as either a Palestinian or an Israeli if the majority of its shares which grant rights to distribution of profits are held by Palestinians or by Israelis, respectively.

   b. For the purpose of subparagraph a. above, shares held by foreigners will be considered as shares held by Palestinians, except with regard to corporations operating within the settlements and military locations.

c. The above mentioned principle regarding corporations will apply to partnerships, with the necessary adjustments.

d. The registration for VAT purposes of corporations and partnerships, in which Israelis and Palestinians hold equal rights to distribution of profits, will be according to the place of registration of the corporation or the partnership. Each side may bring such cases for discussion before the joint committee referred to in paragraph 16 below, if it considers that the place of registration for VAT purposes should be different.

8. Foreign dealers will be registered for VAT purposes in accordance with their place of activity.

9. The VAT levied on dealers registered for VAT purposes will accrue to the VAT administration with which the dealer is registered and the tax code of that side will apply.

10. The principles set out in paragraphs 1-9 and 16-17 of this Annex shall also apply to wage-and-profit tax on financial institutions.

11. There will be clearance of VAT revenues between Israel and the Palestinian Authority according to the following principles:

a. The VAT clearance will apply to VAT on transactions between dealers registered with different VAT administrations. For the purpose of this paragraph, dealers registered with the Civil Administration shall be considered to be registered with the Palestinian Authority.

b. The following procedures will apply to clearance of VAT revenues accruing from transactions by dealers registered for VAT purposes:
   (1) To be acceptable for clearance purposes, special invoices, clearly marked for this purpose, will be used for transactions between dealers registered by the different sides.
   (2) These invoices will be worded either in both Hebrew and Arabic or in English and will be filled out in any of these three languages, provided that the figures are written in "Arabic" (not Hindi) numerals and that the amounts filled out in the invoice are stated also in NIS.
   (3) For the purposes of tax rebates, such invoices will be valid for six months from their date of issue.
   (4) Representatives of the two sides will meet once a month, on the twentieth day of the month, to present each other with a list of invoices submitted to them for tax rebate, for VAT clearance. This list will include the following details regarding each invoice:
      (i) the number of the registered dealer issuing it;
      (ii) the name of the registered dealer issuing it;
      (iii) the number of the invoice;
      (iv) the date of issue;
      (v) the amount of the invoice - with a separate reference to the amount of VAT, specified both numerically and in words; and
      (vi) the name and the VAT registration number of the recipient of the invoice.

(5) The clearance claims will be settled within six days from the meeting, through a payment by the side with the net balance of claims against it, to the other side.
(6) Each side will provide the other side, upon request, with invoices for verification purposes. Each tax administration will be responsible for providing invoices for verification purposes for six months after receiving them.
(7) Each side will take the necessary measures to verify the authenticity of the invoices presented to it for clearance by the other side.
(8) Claims for VAT clearance which will not be found valid will be deducted from the next clearance payment.
(9) Once an interconnected computer system for tax rebates to dealers and for VAT clearance between the two sides is operational, it will replace the clearance procedures specified in subparagraphs (4) and (5) above.
(10) The two tax administrations will exchange lists of the dealers registered by them and will provide each other with the necessary documentation, if requested, for the verification of transactions.
(11) The subcommittee established under Article VI paragraph 5 of Annex IV of the Gaza - Jericho Agreement will deal with the implementation of the provisions of this paragraph.

12. Pending the Interim Agreement, the following provisions shall apply with regard to VAT on imports:

a. In addition to the clearance described in paragraph 11 above, VAT on imports paid by dealers registered with the Palestinian Authority who deduct input tax on such imports shall be remitted to the Palestinian Authority.

b. The clearance shall be effected in the framework of the monthly settlement referred to in paragraph 10 above. For this purpose, the Palestinian Authority shall provide Israel with a list containing the following details.
(1) the VAT registration number of each dealer;
(2) the number of each import entry document; and
(3) the VAT amount included in each import entry document.

c. The Palestinian Authority shall verify and confirm that the list referred to in subparagraph (b) does not include imports the final destination of which is the Gaza Strip or the Jericho Area. The remittance of VAT payments in respect of these imports shall continue to be in accordance with the Gaza-Jericho Agreement.

13. VAT paid on transactions with dealers registered with Israel by not-for-profit Palestinian organizations and institutions registered with the Palestinian Authority, or by the Palestinian Authority where the transaction relates to powers and responsibilities transferred under this Agreement, will be remitted to the Palestinian Authority in accordance with the clearance system set out in paragraph 11. The same principle will apply to VAT paid on such transactions by Palestinian local authorities, once the powers and responsibilities regarding them are transferred to the Palestinian Authority.

14. VAT paid on transactions with dealers registered with the Palestinian Authority by not-for-profit Israeli organizations and institutions, by Israeli local authorities, or by Israel, will be remitted to Israel in accordance with the clearance system set out in paragraph 11.

15. Where the zero VAT rate on transactions by dealers registered with the Palestinian Authority is conditional upon the submission of proof by the dealer that foreign currency has been deposited with a financial institution, the deposit will be made in a financial institution operating in the West Bank. The definition of foreign currency for the purposes of this paragraph may be determined within the JEC.

16. The two sides will establish a joint committee composed of representatives of both VAT administrations. This committee will deal with all issues requiring coordination and cooperation with regard to this Annex.

17. VAT enforcement by the Palestinian Authority shall be in accordance with the principles set out in Appendix B attached to Annex V.

Appendix A
Laws, Regulations and Military Orders in the Sphere of VAT

1. Law of Excise on Local Production, No. 16, 1963, except for the following articles (Hebrew Version): 2(A), 2(B), 2(E), 3, 6A(2), 6A(5), 6A(6), 6A(8), 6A(7) - will be subject to principles regarding the tax enforcement
2. Regulations Regarding Excise on Local Production (Judea and Samaria), 1985, except for the following articles (Hebrew Version): 2, 33, 118, 137, 147, 127; 31(A)1, will not apply in relation to authorizing use of "other document"; 53 (B), 70, 85, 86, 87A, 89, 92, 94, 103, 116, 116A(D)-(E), 117, 119(D), 129(C), 139(B) - will be subject to the principles regarding tax enforcement; 35(A)2, 35(A)3, 112, 115A, 116A(C), 119, Chapter 16, 139(A) - will be subject to principles regarding tax enforcement
3. Regulations regarding Bookkeeping (Judea and Samaria), 1985
4. Notification regarding Excise on Local Production (designating Egypt as bordering country) (Judea and Samaria), 1987



State of Israel

Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip

Washington, September 28, 1995

Ministry of Foreign Affairs
Jerusalem

Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip[5]

Washington, D.C., September 28, 1995

The Government of the State of Israel and the Palestine Liberation Organization (hereinafter "the PLO"), the representative of the Palestinian people;

Preamble

Within the framework of the Middle East peace process initiated at Madrid in October 1991;

Reaffirming their determination to put an end to decades of confrontation and to live in peaceful coexistence, mutual dignity and security, while recognizing their mutual legitimate and political rights;

Reaffirming their desire to achieve a just, lasting and comprehensive peace settlement and historic reconciliation through the agreed political process;

Recognizing that the peace process and the new era that it has created, as well as the new relationship established between the two Parties as described above, are irreversible, and the determination of the two Parties to maintain, sustain and continue the peace process;

Recognizing that the aim of the Israeli-Palestinian negotiations within the current Middle East peace process is, among other things, to establish a Palestinian Interim Self-Government Authority, i.e. the elected Council (hereinafter "the Council" or "the Palestinian Council"), and the elected Ra'ees of the Executive Authority, for the Palestinian people in the West Bank and the Gaza Strip, for a transitional period not exceeding five years from the date of signing the Agreement on the Gaza Strip and the Jericho Area (hereinafter "the Gaza-Jericho Agreement") on May 4, 1994, leading to a permanent settlement based on Security Council Resolutions 242 and 338;

Reaffirming their understanding that the interim self-government arrangements contained in this Agreement are an integral part of the whole peace process, that the negotiations on the permanent status, that will start as soon as possible but not later than May 4, 1996, will lead to the implementation of Security Council Resolutions 242 and 338, and that the Interim Agreement shall settle all the issues of the interim period and that no such issues will be deferred to the agenda of the permanent status negotiations;

Reaffirming their adherence to the mutual recognition and commitments expressed in the letters dated September 9, 1993, signed by and exchanged between the Prime Minister of Israel and the Chairman of the PLO;

Desirous of putting into effect the Declaration of Principles on Interim Self-Government Arrangements signed at Washington, D.C. on September 13, 1993, and the Agreed Minutes thereto

[5] from:
http://snipurl.com/27b2aj9

(hereinafter "the DOP") and in particular Article III and Annex I concerning the holding of direct, free and general political elections for the Council and the Ra'ees of the Executive Authority in order that the Palestinian people in the West Bank, Jerusalem and the Gaza Strip may democratically elect accountable representatives;

Recognizing that these elections will constitute a significant interim preparatory step toward the realization of the legitimate rights of the Palestinian people and their just requirements and will provide a democratic basis for the establishment of Palestinian institutions;

Reaffirming their mutual commitment to act, in accordance with this Agreement, immediately, efficiently and effectively against acts or threats of terrorism, violence or incitement, whether committed by Palestinians or Israelis;

Following the Gaza-Jericho Agreement ; the Agreement on Preparatory Transfer of Powers and Responsibilities signed at Erez on August 29, 1994 (hereinafter "the Preparatory Transfer Agreement"); and the Protocol on Further Transfer of Powers and Responsibilities signed at Cairo on August 27, 1995 (hereinafter "the Further Transfer Protocol"); which three agreements will be superseded by this Agreement;

Hereby agree as follows:

Chapter I - The Council

Article I
Transfer of Authority

1. Israel shall transfer powers and responsibilities as specified in this Agreement from the Israeli military government and its Civil Administration to the Council in accordance with this Agreement. Israel shall continue to exercise powers and responsibilities not so transferred.

2. Pending the inauguration of the Council, the powers and responsibilities transferred to the Council shall be exercised by the Palestinian Authority established in accordance with the Gaza-Jericho Agreement, which shall also have all the rights, liabilities and obligations to be assumed by the Council in this regard. Accordingly, the term "Council" throughout this Agreement shall, pending the inauguration of the Council, be construed as meaning the Palestinian Authority.

3. The transfer of powers and responsibilities to the police force established by the Palestinian Council in accordance with Article XIV below (hereinafter "the Palestinian Police") shall be accomplished in a phased manner, as detailed in this Agreement and in the Protocol concerning Redeployment and Security Arrangements attached as Annex I to this Agreement (hereinafter "Annex I").

4. As regards the transfer and assumption of authority in civil spheres, powers and responsibilities shall be transferred and assumed as set out in the Protocol Concerning Civil Affairs attached as Annex III to this Agreement (hereinafter "Annex III").

5. After the inauguration of the Council, the Civil Administration in the West Bank will be dissolved, and the Israeli military government shall be withdrawn. The withdrawal of the military government shall not prevent it from exercising the powers and responsibilities not transferred to the Council.

6. A Joint Civil Affairs Coordination and Cooperation Committee (hereinafter "the CAC"), Joint Regional Civil Affairs Subcommittees, one for the Gaza Strip and the other for the West Bank, and District Civil Liaison Offices in the West Bank shall be established in order to provide for coordination and cooperation in civil affairs between the Council and Israel, as detailed in Annex III.

7. The offices of the Council, and the offices of its Ra'ees and its Executive Authority and other committees, shall be located in areas under Palestinian territorial jurisdiction in the West Bank and the Gaza Strip.

Article II
Elections

1. In order that the Palestinian people of the West Bank and the Gaza Strip may govern themselves according to democratic principles, direct, free and general political elections will be held for the Council and the Ra'ees of the Executive Authority of the Council in accordance with the provisions set out in the Protocol concerning Elections attached as Annex II to this Agreement (hereinafter "Annex II").

2. These elections will constitute a significant interim preparatory step towards the realization of the legitimate rights of the Palestinian people and their just requirements and will provide a democratic basis for the establishment of Palestinian institutions.

3. Palestinians of Jerusalem who live there may participate in the election process in accordance with the provisions contained in this Article and in Article VI of Annex II (Election Arrangements concerning Jerusalem).

4. The elections shall be called by the Chairman of the Palestinian Authority immediately following the signing of this Agreement to take place at the earliest practicable date following the redeployment of Israeli forces in accordance with Annex I , and consistent with the requirements of the election timetable as provided in Annex II , the Election Law and the Election Regulations, as defined in Article I of Annex II.

Article III
Structure of the Palestinian Council

1. The Palestinian Council and the Ra'ees of the Executive Authority of the Council constitute the Palestinian Interim Self-Government Authority, which will be elected by the Palestinian people

of the West Bank, Jerusalem and the Gaza Strip for the transitional period agreed in Article I of the DOP.

2. The Council shall possess both legislative power and executive power, in accordance with Articles VII and IX of the DOP. The Council shall carry out and be responsible for all the legislative and executive powers and responsibilities transferred to it under this Agreement. The exercise of legislative powers shall be in accordance with Article XVIII of this Agreement (Legislative Powers of the Council).

3. The Council and the Ra'ees of the Executive Authority of the Council shall be directly and simultaneously elected by the Palestinian people of the West Bank, Jerusalem and the Gaza Strip, in accordance with the provisions of this Agreement and the Election Law and Regulations, which shall not be contrary to the provisions of this Agreement.

4. The Council and the Ra'ees of the Executive Authority of the Council shall be elected for a transitional period not exceeding five years from the signing of the Gaza-Jericho Agreement on May 4, 1994.

5. Immediately upon its inauguration, the Council will elect from among its members a Speaker. The Speaker will preside over the meetings of the Council, administer the Council and its committees, decide on the agenda of each meeting, and lay before the Council proposals for voting and declare their results.

6. The jurisdiction of the Council shall be as determined in Article XVII of this Agreement (Jurisdiction).

7. The organization, structure and functioning of the Council shall be in accordance with this Agreement and the Basic Law for the Palestinian Interim Self-government Authority, which Law shall be adopted by the Council. The Basic Law and any regulations made under it shall not be contrary to the provisions of this Agreement.

8. The Council shall be responsible under its executive powers for the offices, services and departments transferred to it and may establish, within its jurisdiction, ministries and subordinate bodies, as necessary for the fulfillment of its responsibilities.

9. The Speaker will present for the Council's approval proposed internal procedures that will regulate, among other things, the decision-making processes of the Council.

Article IV
Size of the Council

The Palestinian Council shall be composed of 82 representatives and the Ra'ees of the Executive Authority, who will be directly and simultaneously elected by the Palestinian people of the West Bank, Jerusalem and the Gaza Strip.

Article V
The Executive Authority of the Council

1. The Council will have a committee that will exercise the executive authority of the Council, formed in accordance with paragraph 4 below (hereinafter "the Executive Authority").

2. The Executive Authority shall be bestowed with the executive authority of the Council and will exercise it on behalf of the Council. It shall determine its own internal procedures and decision making processes.

3. The Council will publish the names of the members of the Executive Authority immediately upon their initial appointment and subsequent to any changes.

4.
   a. The Ra'ees of the Executive Authority shall be an ex officio member of the Executive Authority.

   b. All of the other members of the Executive Authority, except as provided in subparagraph c. below, shall be members of the Council, chosen and proposed to the Council by the Ra'ees of the Executive Authority and approved by the Council.

   c. The Ra'ees of the Executive Authority shall have the right to appoint some persons, in number not exceeding twenty percent of the total membership of the Executive Authority, who are not members of the Council, to exercise executive authority and participate in government tasks. Such appointed members may not vote in meetings of the Council.

   d. Non-elected members of the Executive Authority must have a valid address in an area under the jurisdiction of the Council.

Article VI
Other Committees of the Council

1. The Council may form small committees to simplify the proceedings of the Council and to assist in controlling the activity of its Executive Authority.

2. Each committee shall establish its own decision-making processes within the general framework of the organization and structure of the Council.

Article VII
Open Government

1. All meetings of the Council and of its committees, other than the Executive Authority, shall be open to the public, except upon a resolution of the Council or the relevant committee on the grounds of security, or commercial or personal confidentiality.

2. Participation in the deliberations of the Council, its committees and the Executive Authority shall be limited to their respective members only. Experts may be invited to such meetings to address specific issues on an ad hoc basis.

Article VIII
Judicial Review

Any person or organization affected by any act or decision of the Ra'ees of the Executive Authority of the Council or of any member of the Executive Authority, who believes that such act or decision exceeds the authority of the Ra'ees or of such member, or is otherwise incorrect in law or procedure, may apply to the relevant Palestinian Court of Justice for a review of such activity or decision.

Article IX
Powers and Responsibilities of the Council

1. Subject to the provisions of this Agreement, the Council will, within its jurisdiction, have legislative powers as set out in Article XVIII of this Agreement, as well as executive powers.

2. The executive power of the Palestinian Council shall extend to all matters within its jurisdiction under this Agreement or any future agreement that may be reached between the two Parties during the interim period. It shall include the power to formulate and conduct Palestinian policies and to supervise their implementation, to issue any rule or regulation under powers given in approved legislation and administrative decisions necessary for the realization of Palestinian self-government, the power to employ staff, sue and be sued and conclude contracts, and the power to keep and administer registers and records of the population, and issue certificates, licenses and documents.

3. The Palestinian Council's executive decisions and acts shall be consistent with the provisions of this Agreement.

4. The Palestinian Council may adopt all necessary measures in order to enforce the law and any of its decisions, and bring proceedings before the Palestinian courts and tribunals.

5.
   a. In accordance with the DOP, the Council will not have powers and responsibilities in the sphere of foreign relations, which sphere includes the establishment abroad of embassies, consulates or other types of foreign missions and posts or permitting their establishment in the West Bank or the Gaza Strip, the appointment of or admission of diplomatic and consular staff, and the exercise of diplomatic functions.

b. Notwithstanding the provisions of this paragraph, the PLO may conduct negotiations and sign agreements with states or international organizations for the benefit of the Council in the following cases only:
   (1) economic agreements, as specifically provided in Annex V of this Agreement:
   (2) agreements with donor countries for the purpose of implementing arrangements for the provision of assistance to the Council,
   (3) agreements for the purpose of implementing the regional development plans detailed in Annex IV of the DOP or in agreements entered into in the framework of the multilateral negotiations, and
   (4) cultural, scientific and educational agreements. Dealings between the Council and representatives of foreign states and international organizations, as well as the establishment in the West Bank and the Gaza Strip of representative offices other than those described in subparagraph 5.a above, for the purpose of implementing the agreements referred to in subparagraph 5.b above, shall not be considered foreign relations.

6. Subject to the provisions of this Agreement, the Council shall, within its jurisdiction, have an independent judicial system composed of independent Palestinian courts and tribunals.

Chapter 2 - Redeployment and Security Arrangements

Article X
Redeployment of Israeli Military Forces

1. The first phase of the Israeli military forces redeployment will cover populated areas in the West Bank - cities, towns, villages, refugee camps and hamlets - as set out in Annex I , and will be completed prior to the eve of the Palestinian elections, i. e., 22 days before the day of the elections.

2. Further redeployments of Israeli military forces to specified military locations will commence after the inauguration of the Council and will be gradually implemented commensurate with the assumption of responsibility for public order and internal security by the Palestinian Police, to be completed within 18 months from the date of the inauguration of the Council as detailed in Articles XI (Land) and XIII (Security) , below and in Annex I.

3. The Palestinian Police shall be deployed and shall assume responsibility for public order and internal security for Palestinians in a phased manner in accordance with XIII (Security) below and Annex I.

4. Israel shall continue to carry the responsibility for external security, as well as the responsibility for overall security of Israelis for the purpose of safeguarding their internal security and public order.

5. For the purpose of this Agreement, "Israeli military forces" includes Israel Police and other Israeli security forces.

Article XI
Land

1. The two sides view the West Bank and the Gaza Strip as a single territorial unit, the integrity and status of which will be preserved during the interim period.

2. The two sides agree that West Bank and Gaza Strip territory, except for issues that will be negotiated in the permanent status negotiations, will come under the jurisdiction of the Palestinian Council in a phased manner, to be completed within 18 months from the date of the inauguration of the Council, as specified below:

    a. Land in populated areas (Areas A and B), including government and Al Waqf land, will come under the jurisdiction of the Council during the first phase of redeployment.

    b. All civil powers and responsibilities, including planning and zoning, in Areas A and B, set out in Annex III, will be transferred to and assumed by the Council during the first phase of redeployment.

    c. In Area C, during the first phase of redeployment Israel will transfer to the Council civil powers and responsibilities not relating to territory, as set out in Annex III.

    d. The further redeployments of Israeli military forces to specified military locations will be gradually implemented in accordance with the DOP in three phases, each to take place after an interval of six months, after the inauguration of the Council, to be completed within 18 months from the date of the inauguration of the Council.

    e. During the further redeployment phases to be completed within 18 months from the date of the inauguration of the Council, powers and responsibilities relating to territory will be transferred gradually to Palestinian jurisdiction that will cover West Bank and Gaza Strip territory, except for the issues that will be negotiated in the permanent status negotiations.

    f. The specified military locations referred to in Article X, paragraph 2 above will be determined in the further redeployment phases, within the specified time-frame ending not later than 18 months from the date of the inauguration of the Council, and will be negotiated in the permanent status negotiations.

3. For the purpose of this Agreement and until the completion of the first phase of the further redeployments:

    a. "Area A" means the populated areas delineated by a red line and shaded in brown on attached map No. 1;

    b. "Area B" means the populated areas delineated by a red line and shaded in yellow on attached map No. 1 , and the built-up area of the hamlets listed in Appendix 6 to Annex I , and

c. "Area C" means areas of the West Bank outside Areas A and B, which, except for the issues that will be negotiated in the permanent status negotiations, will be gradually transferred to Palestinian jurisdiction in accordance with this Agreement.

Article XII
Arrangements for Security and Public Order

1. In order to guarantee public order and internal security for the Palestinians of the West Bank and the Gaza Strip, the Council shall establish a strong police force as set out in Article XIV below. Israel shall continue to carry the responsibility for defense against external threats, including the responsibility for protecting the Egyptian and Jordanian borders, and for defense against external threats from the sea and from the air, as well as the responsibility for overall security of Israelis and Settlements, for the purpose of safeguarding their internal security and public order, and will have all the powers to take the steps necessary to meet this responsibility.

2. Agreed security arrangements and coordination mechanisms are specified in Annex I.

3. A Joint Coordination and Cooperation Committee for Mutual Security Purposes (hereinafter "the JSC"), as well as Joint Regional Security Committees (hereinafter "RSCs") and Joint District Coordination Offices (hereinafter "DCOs"), are hereby established as provided for in Annex I.

4. The security arrangements provided for in this Agreement and in Annex I may be reviewed at the request of either Party and may be amended by mutual agreement of the Parties. Specific review arrangements are included in Annex I.

5. For the purpose of this Agreement, "the Settlements" means, in the West Bank the settlements in Area C; and in the Gaza Strip - the Gush Katif and Erez settlement areas, as well as the other settlements in the Gaza Strip, as shown on attached map No. 2.

Article XIII
Security

1. The Council will, upon completion of the redeployment of Israeli military forces in each district, as set out in Appendix 1 to Annex I , assume the powers and responsibilities for internal security and public order in Area A in that district.

2.
   a. There will be a complete redeployment of Israeli military forces from Area B. Israel will transfer to the Council and the Council will assume responsibility for public order for Palestinians. Israel shall have the overriding responsibility for security for the purpose of protecting Israelis and confronting the threat of terrorism.

b. In Area B the Palestinian Police shall assume the responsibility for public order for Palestinians and shall be deployed in order to accommodate the Palestinian needs and requirements in the following manner:

(1) The Palestinian Police shall establish 25 police stations and posts in towns, villages, and other places listed in Appendix 2 to Annex I and as delineated on map No. 3. The West Bank RSC may agree on the establishment of additional police stations and posts, if required.

(2) The Palestinian Police shall be responsible for handling public order incidents in which only Palestinians are involved.

(3) The Palestinian Police shall operate freely in populated places where police stations and posts are located, as set out in paragraph b (1) above.

(4) While the movement of uniformed Palestinian policemen in Area B outside places where there is a Palestinian police station or post will be carried out after coordination and confirmation through the relevant DCO, three months after the completion of redeployment from Area B, the DCOs may decide that movement of Palestinian policemen from the police stations in Area B to Palestinian towns and villages in Area B on roads that are used only by Palestinian traffic will take place after notifying the DCO.

(5) The coordination of such planned movement prior to confirmation through the relevant DCO shall include a scheduled plan, including the number of policemen, as well as the type and number of weapons and vehicles intended to take part. It shall also include details of arrangements for ensuring continued coordination through appropriate communication links, the exact schedule of movement to the area of the planned operation, including the destination and routes thereto, its proposed duration and the schedule for returning to the police station or post.

The Israeli side of the DCO will provide the Palestinian side with its response, following a request for movement of policemen in accordance with this paragraph, in normal or routine cases within one day and in emergency cases no later than 2 hours.

(6) The Palestinian Police and the Israeli military forces will conduct joint security activities on the main roads as set out in Annex I.

(7) The Palestinian Police will notify the West Bank RSC of the names of the policemen, number plates of police vehicles and serial numbers of weapons, with respect to each police station and post in Area B.

(8) Further redeployments from Area C and transfer of internal security responsibility to the Palestinian Police in Areas B and C will be carried out in three phases, each to take place after an interval of six months, to be completed 18 months after the inauguration of the Council, except for the issues of permanent status negotiations and of Israel's overall responsibility for Israelis and borders.

(9) The procedures detailed in this paragraph will be reviewed within six months of the completion of the first phase of redeployment.

Article XIV
The Palestinian Police

1. The Council shall establish a strong police force. The duties, functions, structure, deployment and composition of the Palestinian Police, together with provisions regarding its equipment and operation, as well as rules of conduct, are set out in Annex I.

2. The Palestinian police force established under the Gaza-Jericho Agreement will be fully integrated into the Palestinian Police and will be subject to the provisions of this Agreement.

3. Except for the Palestinian Police and the Israeli military forces, no other armed forces shall be established or operate in the West Bank and the Gaza Strip.

4. Except for the arms, ammunition and equipment of the Palestinian Police described in Annex I, and those of the Israeli military forces, no organization, group or individual in the West Bank and the Gaza Strip shall manufacture, sell, acquire, possess, import or otherwise introduce into the West Bank or the Gaza Strip any firearms, ammunition, weapons, explosives, gunpowder or any related equipment, unless otherwise provided for in Annex I.

Article XV
Prevention of Hostile Acts

1. Both sides shall take all measures necessary in order to prevent acts of terrorism, crime and hostilities directed against each other, against individuals falling under the other's authority and against their property and shall take legal measures against offenders.

2. Specific provisions for the implementation of this Article are set out in Annex I.

Article XVI
Confidence Building Measures

With a view to fostering a positive and supportive public atmosphere to accompany the implementation of this Agreement, to establish a solid basis of mutual trust and good faith, and in order to facilitate the anticipated cooperation and new relations between the two peoples, both Parties agree to carry out confidence building measures as detailed herewith:

1. Israel will release or turn over to the Palestinian side, Palestinian detainees and prisoners, residents of the West Bank and the Gaza Strip. The first stage of release of these prisoners and detainees will take place on the signing of this Agreement and the second stage will take place prior to the date of the elections. There will be a third stage of release of detainees and prisoners. Detainees and prisoners will be released from among categories detailed in Annex VII (Release of Palestinian Prisoners and Detainees). Those released will be free to return to their homes in the West Bank and the Gaza Strip.

2. Palestinians who have maintained contact with the Israeli authorities will not be subjected to acts of harassment, violence, retribution or prosecution. Appropriate ongoing measures will be taken, in coordination with Israel, in order to ensure their protection.

3. Palestinians from abroad whose entry into the West Bank and the Gaza Strip is approved pursuant to this Agreement, and to whom the provisions of this Article are applicable, will not be prosecuted for offenses committed prior to September 13, 1993.

Chapter 3 - Legal Affairs

Article XVII
Jurisdiction

1. In accordance with the DOP, the jurisdiction of the Council will cover West Bank and Gaza Strip territory as a single territorial unit, except for:

   a. issues that will be negotiated in the permanent status negotiations: Jerusalem, settlements, specified military locations, Palestinian refugees, borders, foreign relations and Israelis; and

   b. powers and responsibilities not transferred to the Council.

2. Accordingly, the authority of the Council encompasses all matters that fall within its territorial, functional and personal jurisdiction, as follows:

   a. The territorial jurisdiction of the Council shall encompass Gaza Strip territory, except for the Settlements and the Military Installation Area shown on map No. 2 , and West Bank territory, except for Area C which, except for the issues that will be negotiated in the permanent status negotiations, will be gradually transferred to Palestinian jurisdiction in three phases, each to take place after an interval of six months, to be completed 18 months after the inauguration of the Council. At this time, the jurisdiction of the Council will cover West Bank and Gaza Strip territory, except for the issues that will be negotiated in the permanent status negotiations.

      Territorial jurisdiction includes land, subsoil and territorial waters, in accordance with the provisions of this Agreement.

   b. The functional jurisdiction of the Council extends to all powers and responsibilities transferred to the Council, as specified in this Agreement or in any future agreements that may be reached between the Parties during the interim period.

   c. The territorial and functional jurisdiction of the Council will apply to all persons, except for Israelis, unless otherwise provided in this Agreement.

   d. Notwithstanding subparagraph a. above, the Council shall have functional jurisdiction in Area C, as detailed in Article IV of Annex III.

3. The Council has, within its authority, legislative, executive and judicial powers and responsibilities, as provided for in this Agreement.

4.
   a. Israel, through its military government, has the authority over areas that are not under the territorial jurisdiction of the Council, powers and responsibilities not transferred to the Council and Israelis.

   b. To this end, the Israeli military government shall retain the necessary legislative, judicial and executive powers and responsibilities, in accordance with international law. This provision shall not derogate from Israel's applicable legislation over Israelis in personam.

5. The exercise of authority with regard to the electromagnetic sphere and air space shall be in accordance with the provisions of this Agreement.

6. Without derogating from the provisions of this Article, legal arrangements detailed in the Protocol Concerning Legal Matters attached as Annex IV to this Agreement (hereinafter "Annex IV") shall be observed. Israel and the Council may negotiate further legal arrangements.

7. Israel and the Council shall cooperate on matters of legal assistance in criminal and civil matters through a legal committee (hereinafter "the Legal Committee"), hereby established.

8. The Council's jurisdiction will extend gradually to cover West Bank and Gaza Strip territory, except for the issues to be negotiated in the permanent status negotiations, through a series of redeployments of the Israeli military forces. The first phase of the redeployment of Israeli military forces will cover populated areas in the West Bank - cities, towns, refugee camps and hamlets, as set out in Annex I - and will be completed prior to the eve of the Palestinian elections, i.e. 22 days before the day of the elections. Further redeployments of Israeli military forces to specified military locations will commence immediately upon the inauguration of the Council and will be effected in three phases, each to take place after an interval of six months, to be concluded no later than eighteen months from the date of the inauguration of the Council.

Article XVIII
Legislative Powers of the Council

1. For the purposes of this Article, legislation shall mean any primary and secondary legislation, including basic laws, laws, regulations and other legislative acts.

2. The Council has the power, within its jurisdiction as defined in Article XVII of this Agreement, to adopt legislation.

3. While the primary legislative power shall lie in the hands of the Council as a whole, the Ra'ees of the Executive Authority of the Council shall have the following legislative powers

a. the power to initiate legislation or to present proposed legislation to the Council;

b. the power to promulgate legislation adopted by the Council; and

c. the power to issue secondary legislation, including regulations, relating to any matters specified and within the scope laid down in any primary legislation adopted by the Council.

4.

a. Legislation, including legislation which amends or abrogates existing laws or military orders, which exceeds the jurisdiction of the Council or which is otherwise inconsistent with the provisions of the DOP, this Agreement, or of any other agreement that may be reached between the two sides during the interim period, shall have no effect and shall be void ab initio.

b. The Ra'ees of the Executive Authority of the Council shall not promulgate legislation adopted by the Council if such legislation falls under the provisions of this paragraph.

5. All legislation shall be communicated to the Israeli side of the Legal Committee.

6. Without derogating from the provisions of paragraph 4 above, the Israeli side of the Legal Committee may refer for the attention of the Committee any legislation regarding which Israel considers the provisions of paragraph 4 apply, in order to discuss issues arising from such legislation. The Legal Committee will consider the legislation referred to it at the earliest opportunity.

Article XIX
Human Rights and the Rule of Law

Israel and the Council shall exercise their powers and responsibilities pursuant to this Agreement with due regard to internationally-accepted norms and principles of human rights and the rule of law.

Article XX
Rights, Liabilities and Obligations

1.

a. The transfer of powers and responsibilities from the Israeli military government and its civil administration to the Council, as detailed in Annex III , includes all related rights, liabilities and obligations arising with regard to acts or omissions which occurred prior to such transfer. Israel will cease to bear any financial responsibility regarding such acts or omissions and the Council will bear all financial responsibility for these and for its own functioning.
b. Any financial claim made in this regard against Israel will be referred to the Council.

c. Israel shall provide the Council with the information it has regarding pending and anticipated claims brought before any court or tribunal against Israel in this regard.

d. Where legal proceedings are brought in respect of such a claim, Israel will notify the Council and enable it to participate in defending the claim and raise any arguments on its behalf.

e. In the event that an award is made against Israel by any court or tribunal in respect of such a claim, the Council shall immediately reimburse Israel the full amount of the award.

f. Without prejudice to the above, where a court or tribunal hearing such a claim finds that liability rests solely with an employee or agent who acted beyond the scope of the powers assigned to him or her, unlawfully or with willful malfeasance, the Council shall not bear financial responsibility.

2.

a. Notwithstanding the provisions of paragraphs l.d through l.f above, each side may take the necessary measures, including promulgation of legislation, in order to ensure that such claims by Palestinians including pending claims in which the hearing of evidence has not yet begun, are brought only before Palestinian courts or tribunals in the West Bank and the Gaza Strip, and are not brought before or heard by Israeli courts or tribunals.

b. Where a new claim has been brought before a Palestinian court or tribunal subsequent to the dismissal of the claim pursuant to subparagraph a. above, the Council shall defend it and, in accordance with subparagraph l.a above, in the event that an award is made for the plaintiff, shall pay the amount of the award.

c. The Legal Committee shall agree on arrangements for the transfer of all materials and information needed to enable the Palestinian courts or tribunals to hear such claims as referred to in subparagraph b. above, and, when necessary, for the provision of legal assistance by Israel to the Council in defending such claims.

3. The transfer of authority in itself shall not affect rights, liabilities and obligations of any person or legal entity, in existence at the date of signing of this Agreement.

4. The Council, upon its inauguration, will assume all the rights, liabilities and obligations of the Palestinian Authority.

5. For the purpose of this Agreement, "Israelis" also includes Israeli statutory agencies and corporations registered in Israel.

Article XXI
Settlement of Differences and Disputes

Any difference relating to the application of this Agreement shall be referred to the appropriate coordination and cooperation mechanism established under this Agreement. The provisions of

Article XV of the DOP shall apply to any such difference which is not settled through the appropriate coordination and cooperation mechanism, namely:

1. Disputes arising out of the application or interpretation of this Agreement or any related agreements pertaining to the interim period shall be settled through the Liaison Committee.

2. Disputes which cannot be settled by negotiations may be settled by a mechanism of conciliation to be agreed between the Parties.

3. The Parties may agree to submit to arbitration disputes relating to the interim period, which cannot be settled through conciliation. To this end, upon the agreement of both Parties, the Parties will establish an Arbitration Committee.

Chapter 4 – Cooperation

Article XXII
Relations between Israel and the Council

1. Israel and the Council shall seek to foster mutual understanding and tolerance and shall accordingly abstain from incitement, including hostile propaganda, against each other and, without derogating from the principle of freedom of expression, shall take legal measures to prevent such incitement by any organizations, groups or individuals within their jurisdiction.

2. Israel and the Council will ensure that their respective educational systems contribute to the peace between the Israeli and Palestinian peoples and to peace in the entire region, and will refrain from the introduction of any motifs that could adversely affect the process of reconciliation.

3. Without derogating from the other provisions of this Agreement, Israel and the Council shall cooperate in combating criminal activity which may affect both sides, including offenses related to trafficking in illegal drugs and psychotropic substances, smuggling, and offenses against property, including offenses related to vehicles.

Article XXIII
Cooperation with Regard to Transfer of Powers and Responsibilities

In order to ensure a smooth, peaceful and orderly transfer of powers and responsibilities, the two sides will cooperate with regard to the transfer of security powers and responsibilities in accordance with the provisions of Annex I, and the transfer of civil powers and responsibilities in accordance with the provisions of Annex III.

Article XXIV
Economic Relations

The economic relations between the two sides are set out in the Protocol on Economic Relations signed in Paris on April 29, 1994, and the Appendices thereto, and the Supplement to the Protocol on Economic Relations all attached as Annex V , and will be governed by the relevant provisions of this Agreement and its Annexes.

Article XXV
Cooperation Programs

1. The Parties agree to establish a mechanism to develop programs of cooperation between them. Details of such cooperation are set out in Annex VI.

2. A Standing Cooperation Committee to deal with issues arising in the context of this cooperation is hereby established as provided for in Annex VI.

Article XXVI
The Joint Israeli-Palestinian Liaison Committee

1. The Liaison Committee established pursuant to Article X of the DOP shall ensure the smooth implementation of this Agreement. It shall deal with issues requiring coordination, other issues of common interest and disputes.

2. The Liaison Committee shall be composed of an equal number of members from each Party. It may add other technicians and experts as necessary.

3. The Liaison Committee shall adopt its rules of procedures, including the frequency and place or places of its meetings.

4. The Liaison Committee shall reach its decisions by agreement.

5. The Liaison Committee shall establish a subcommittee that will monitor and steer the implementation of this Agreement (hereinafter "the Monitoring and Steering Committee"). It will function as follows:

    a. The Monitoring and Steering Committee will, on an ongoing basis, monitor the implementation of this Agreement, with a view to enhancing the cooperation and fostering the peaceful relations between the two sides.

    b. The Monitoring and Steering Committee will steer the activities of the various joint committees established in this Agreement (the JSC, the CAC, the Legal Committee, the Joint Economic Committee and the Standing Cooperation Committee) concerning the ongoing implementation of the Agreement, and will report to the Liaison Committee.

c. The Monitoring and Steering Committee will be composed of the heads of the various committees mentioned above.

d. The two heads of the Monitoring and Steering Committee will establish its rules of procedures, including the frequency and places of its meetings.

Article XXVII
Liaison and Cooperation with Jordan and Egypt

1. Pursuant to Article XII of the DOP, the two Parties have invited the Governments of Jordan and Egypt to participate in establishing further liaison and cooperation arrangements between the Government of Israel and the Palestinian representatives on the one hand, and the Governments of Jordan and Egypt on the other hand, to promote cooperation between them. As part of these arrangements a Continuing Committee has been constituted and has commenced its deliberations.

2. The Continuing Committee shall decide by agreement on the modalities of admission of persons displaced from the West Bank and the Gaza Strip in 1967, together with necessary measures to prevent disruption and disorder.

3. The Continuing Committee shall also deal with other matters of common concern.

Article XXVIII
Missing Persons

1. Israel and the Council shall cooperate by providing each other with all necessary assistance in the conduct of searches for missing persons and bodies of persons which have not been recovered, as well as by providing information about missing persons.

2. The PLO undertakes to cooperate with Israel and to assist it in its efforts to locate and to return to Israel Israeli soldiers who are missing in action and the bodies of soldiers which have not been recovered.

Chapter 5 - Miscellaneous Provisions

Article XXIX
Safe Passage between the West Bank and the Gaza Strip

Arrangements for safe passage of persons and transportation between the West Bank and the Gaza Strip are set out in Annex I.

Article XXX
Passages

Arrangements for coordination between Israel and the Council regarding passage to and from Egypt and Jordan, as well as any other agreed international crossings, are set out in Annex I.

Article XXXI
Final Clauses

1. This Agreement shall enter into force on the date of its signing.

2. The Gaza-Jericho Agreement, except for Article XX (Confidence-Building Measures), the Preparatory Transfer Agreement and the Further Transfer Protocol will be superseded by this Agreement.

3. The Council, upon its inauguration, shall replace the Palestinian Authority and shall assume all the undertakings and obligations of the Palestinian Authority under the Gaza-Jericho Agreement, the Preparatory Transfer Agreement, and the Further Transfer Protocol.

4. The two sides shall pass all necessary legislation to implement this Agreement.

5. Permanent status negotiations will commence as soon as possible, but not later than May 4, 1996, between the Parties. It is understood that these negotiations shall cover remaining issues, including: Jerusalem, refugees, settlements, security arrangements, borders, relations and cooperation with other neighbors, and other issues of common interest.

6. Nothing in this Agreement shall prejudice or preempt the outcome of the negotiations on the permanent status to be conducted pursuant to the DOP. Neither Party shall be deemed, by virtue of having entered into this Agreement, to have renounced or waived any of its existing rights, claims or positions.

7. Neither side shall initiate or take any step that will change the status of the West Bank and the Gaza Strip pending the outcome of the permanent status negotiations.

8. The two Parties view the West Bank and the Gaza Strip as a single territorial unit, the integrity and status of which will be preserved during the interim period.

9. The PLO undertakes that, within two months of the date of the inauguration of the Council, the Palestinian National Council will convene and formally approve the necessary changes in regard to the Palestinian Covenant, as undertaken in the letters signed by the Chairman of the PLO and addressed to the Prime Minister of Israel, dated September 9, 1993 and May 4, 1994.

10. Pursuant to Annex I, Article IX of this Agreement, Israel confirms that the permanent checkpoints on the roads leading to and from the Jericho Area (except those related to the

access road leading from Mousa Alami to the Allenby Bridge) will be removed upon the completion of the first phase of redeployment.

11. Prisoners, who pursuant to the Gaza-Jericho Agreement, were turned over to the Palestinian Authority on the condition that they remain in the Jericho Area for the remainder of their sentence will be free to return to their homes in the West Bank and the Gaza Strip upon the completion of the first phase of redeployment.

12. As regards relations between Israel and the PLO, and without derogating from the commitments contained in the letters signed by and exchanged between the Prime Minister of Israel and the Chairman of the PLO, dated September 9, 1993 and May 4, 1994, the two sides will apply between them the provisions contained in Article XXII, paragraph 1, with the necessary changes.

13.
    a. The Preamble to this Agreement, and all Annexes, Appendices and maps attached hereto, shall constitute an integral part hereof.

    b. The Parties agree that the maps attached to the Gaza-Jericho Agreement as:
        (1) map No. 1 (The Gaza Strip), an exact copy of which is attached to this Agreement as map No. (in this Agreement "map No. 2");
        (2) map No. 4 (Deployment of Palestinian Police in the Gaza Strip), an exact copy of which is attached to this Agreement as map No. 5 (in this Agreement "map No. 5"); and
        (3) map No. 6 (Maritime Activity Zones), an exact copy of which is attached to this Agreement as map No. 8 (in this Agreement "map No. 8"; are an integral part hereof and will remain in effect for the duration of this Agreement.

14. While the Jeftlik area will come under the functional and personal jurisdiction of the Council in the first phase of redeployment, the area's transfer to the territorial jurisdiction of the Council will be considered by the Israeli side in the first phase of the further redeployment phases.

Done at Washington DC, this 28th day of September, 1995.

Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip

Annex I:
Protocol Concerning Redeployment and Security Arrangements

Article I
Redeployment of Israeli Military Forces and Transfer of Responsibility

First Phase of Redeployment

1. The first phase of Israeli military forces redeployment will cover populated areas in the West Bank - cities, towns, villages, refugee camps and hamlets, as shown on map No. 1. This redeployment will be effected in stages, as set out in the schedule attached to this Annex as Appendix 1, and will be completed prior to the eve of the Palestinian elections, i.e., 22 days before the day of elections.

2. In order to maintain the territorial integrity of the West Bank and the Gaza Strip as a single territorial unit, and to promote their economic growth and the demographic and geographical links between them, both sides shall implement the provisions of this Annex, while respecting and preserving without obstacles, normal and smooth movement of people, vehicles, and goods within the West Bank, and between the West Bank and the Gaza Strip.

3. Any security arrangements and measures which become effective commensurate with the redeployment of the Israeli military forces will not undermine the importance of, nor will they prejudice, the Palestinian development programs and projects for reconstruction and development of the West Bank and the Gaza Strip, as well as the moral and physical dignity of the Palestinian people in the West Bank and the Gaza Strip.

4. After the inauguration of the Palestinian Council, the unity and integrity of the Palestinian people in the West Bank and the Gaza Strip shall be maintained and respected. All Palestinian people residing in the West Bank and the Gaza Strip will be accountable to the Palestinian Council only, unless otherwise provided in this Agreement.

5. After the inauguration of the Palestinian Council, the Israeli Civil Administration will be dissolved and the Israeli military government will be withdrawn. 6. The Council will assume powers and responsibilities for civil affairs, as well as for public order and internal security, according to this Agreement.

6. Nothing in this Article shall derogate from Israel's security powers and responsibilities in accordance with this Agreement.

7. There will be a period of 10 days prior to each stage of redeployment according to paragraph I of this Article, during which the commanders of the Israeli military forces will acquaint the

respective commanders of the different echelons of the Palestinian Police with the respective area and its specific problems.

Further Redeployments After the Inauguration of the Palestinian Council

8. The further redeployments of Israeli military forces to specified military locations will be gradually implemented in accordance with the DOP in three phases, each to take place after an interval of six months, after the inauguration of the Council, to be completed within 18 months from the date of the inauguration of the Council.

9. The specified military locations referred to in Article X, paragraph 2 of this Agreement will be determined in the further redeployment phases within the specified time-frame ending not later than 18 months from the date of the inauguration of the Council, and will be negotiated in the permanent status negotiations.

Article II
Security Policy for the Prevention of Terrorism and Violence

1. The Palestinian security policy as defined by the Palestinian Authority on March 9, 1995, for the Gaza Strip and the Jericho Area will also be implemented in the rest of the West Bank in areas which come under Palestinian security responsibility as follows:

   a. The Palestinian Police is the only Palestinian security authority.

   b. The Palestinian Police will act systematically against all expressions of violence and terror.

   c. The Council will issue permits in order to legalize the possession and carrying of arms by civilians. Any illegal arms will be confiscated by the Palestinian Police.

   d. The Palestinian Police will arrest and prosecute individuals who are suspected of perpetrating acts of violence and terror.

2. Both sides will, in accordance with this Agreement, act to ensure the immediate, efficient and effective handling of any incident involving a threat or act of terrorism, violence or incitement, whether committed by Palestinians or Israelis. To this end, they will cooperate in the exchange of information and coordinate policies and activities. Each side shall immediately and effectively respond to the occurrence or anticipated occurrence of an act of terrorism, violence or incitement and shall take all necessary measures to prevent such an occurrence.

3. With a view to implementing the above, each side shall, in accordance with the provisions of this Agreement, carry out the following functions in the areas under its security responsibility:

   a. protect all residents of, and all other persons present in, these areas;

b. actively prevent incitement to violence, including violence against the other side or persons under the authority of the other side;

c. apprehend, investigate and prosecute perpetrators and all other persons directly or indirectly involved in acts of terrorism, violence and incitement; and

d. prevent and deal with any attempt to cause damage or harm to infrastructure serving the other side, including, inter alia, roads, water, electricity, telecommunications and sewage infrastructure.

4. Both sides undertake to deal with the issue of persons who are present in the areas in violation of this Agreement, and to take further measures in accordance with procedures to be determined by the JSC.

Article III
Coordination and Cooperation In Mutual Security Matters

1. Joint Security Coordination and Cooperation Committee

a. A Joint Coordination and Cooperation Committee for Mutual Security Purposes is hereby established (hereinafter "the JSC"). It will deal with all security matters of mutual concern regarding this Agreement in the West Bank and the Gaza Strip.

b. The JSC shall:
   (1) recommend security policy guidelines for the approval of the Joint Israeli-Palestinian Liaison Committee and implement such approved guidelines;
   (2) deal with security issues raised by either side;
   (3) provide the proper channel for exchanging information between the two sides, needed to solve security problems;
   (4) provide directives for the Joint Regional Security Committees (hereinafter "the RSCs") and for the Joint District Coordination Offices (hereinafter "the DCOs"); and
   (5) subject to the provisions of Article XXVI (the Joint Israeli Palestinian Liaison Committee), and Article XXI (Settlement of Differences and Disputes) of this Agreement, deal with alleged violations, as well as differences relating to the application or implementation of the security arrangements set out in this Agreement.

c. The JSC shall comprise between five and seven members from each side. Decisions of the JSC will be reached by agreement between the two sides.

d. The JSC shall determine its rules of procedure. Meetings of the JSC shall be held every two weeks. In the event that either side requests a special meeting, it shall be convened within forty-eight (48) hours.

e. Unless otherwise agreed by the two sides, JSC meetings will be hosted by each of the sides alternately.

f. The JSC shall develop a comprehensive plan to ensure full coordination between the Israeli military forces and the Palestinian Police during the interim period, starting from the date of signing of this Agreement.

g. This coordination will be implemented through the RSCs in the West Bank and the Gaza Strip and the DCOs, as mentioned hereafter in this Article.

h. The comprehensive plan will include a plan for the West Bank, consisting of arrangements for the entry of the Palestinian Police and the introduction of police arms, ammunition and equipment, as well as arrangements intended to facilitate the smooth transfer of authority and assumption by the Palestinian Police of its security responsibilities according to this Agreement.

i. The above mentioned comprehensive plan will also include two regional plans that will include arrangements for coordination and cooperation in security matters after the redeployment is effected.

j. These regional plans will be reviewed every six months, or whenever needed, by the JSC and the relevant RSC.

2. Regional Security Committees

a. Two RSCs are hereby established, one in the West Bank and one in the Gaza Strip.

b. Each RSC shall:
(1) guide the relevant DCOs with security policy guidelines; (2) deal with security issues referred to it by the DCOs;
(2) ensure proper transfer of information and guidelines to the relevant DCOs; and
(3) propose to the JSC security policy guidelines, and forward issues to the JSC for determination.

c. The Israeli side and the Palestinian side in the RSCs will maintain contact with each other as follows:
(1) regular as well as special meetings shall be held between the commander of the Israeli military forces and the commander of the Palestinian Police in the West Bank or in the Gaza Strip, as appropriate; and
(2) each side will operate a regional security coordination office 24 hours a day, with direct and constant communication links between the two sides.

d. The RSCs shall commence operations immediately upon the signing of this Agreement and shall determine by agreement their mode of procedure.

3. District Coordination Offices

a. DCOs are hereby established in the West Bank and the Gaza Strip, as set out below.

b. The location of the DCOs is as detailed on attached map Nos. 2 and 4.

c. Each DCO shall:
   (1) monitor and manage matters requiring coordination as determined by the JSC and/or the relevant RSC, according to the policy and guidelines established by either of them;
   (2) monitor and manage all matters of a joint nature within the respective district of the DCO, including the coordination of activities by one side which may affect the other side;
   (3) review, investigate and report to the relevant RSC on the overall situation within the DCO's respective district, with special regard to specific events, incidents and activities occurring in the district; and
   (4) direct the Joint Patrols and the Joint Mobile Units set up in accordance with paragraphs 4 and 5 of this Article and Article V, paragraph 2.c below, operating within the DCO's respective district.

d. The DCOs shall commence operations immediately upon the signing of this Agreement.

e. Each DCO will be continuously staffed by a team of up to six officers from each side, comprising one commander and five duty officers.

f. The DCOs will be operated jointly by both sides, 24 hours a day. At least one duty officer from each side, as well as the necessary number of assistants, will be present during each eight-hour shift.

g. With a view to preventing friction and to enabling the two sides to deal with possible incidents, both sides shall ensure that the relevant DCO shall immediately be notified of any of the following events:
   (1) routine, scheduled or unscheduled activity or deployment by the Israeli military forces or the Palestinian Police that directly affects the security responsibility of the other side. This includes activity or deployment in the proximity of Settlements or Palestinian populated localities, as the case may be;
   (2) events that pose a threat to public order;
   (3) activities that disturb the regular flow of traffic on the main roads, including roadblocks and roadworks;
   (4) incidents involving both Israelis and Palestinians, such as road accidents, rescue of casualties or persons in mortal danger, engagement steps or any incident in which a weapon is used;
   (5) a terrorist action of any kind and from any source;
   (6) infiltrations between the West Bank, the Gaza Strip and Israel; and
   (7) all cases in which Israelis are hospitalized in the West Bank or the Gaza Strip, or in which Palestinians of the West Bank or the Gaza Strip are hospitalized in Israel.

h. Each DCO shall notify the relevant Israeli and Palestinian headquarters, as well as the Joint Patrols operating in the relevant district, of the occurrence of any of the events listed in subparagraph g. above.

i. The JSC may modify the content of the list of events included in subparagraph g. above.

j. Any event involving injury to Israelis, at any location within the West Bank or the Gaza Strip shall be immediately reported to Israel through the relevant DCO. Israel may employ any means necessary for the evacuation and treatment of such injured persons, and will coordinate such activity through the relevant DCO.

k. The DCOs shall be equipped with the necessary means of communication to enable direct and immediate contact both with the Joint Patrols and the relevant RSC, as well as with each side's respective police or military district headquarters.

4. Joint Patrols

a. The mission of the Joint Patrols shall be to assist in ensuring free, unimpeded and secure movement along the roads designated in Articles V and VI below.

b. Unless the JSC decides otherwise, the Joint Patrols shall each be composed of two 4-wheel drive vehicles, one Palestinian and one Israeli, equipped with adequate communications systems. The vehicles shall be marked so as to be easily distinguishable from all other vehicles in the area. In each vehicle there will be an officer and three uniformed and armed guards.

c. The Joint Patrols will patrol 24 hours a day, in vehicles along their routes of activity, or as directed by the relevant DCO. Joint Patrols on the Lateral Roads in the Gaza Strip will also patrol on foot along their routes of activity, and on the adjacent sides of the roads upon which the security of the traffic along these roads is dependent.

d. On roads under Israeli security responsibility, the Israeli vehicle will be the leading vehicle. On roads under Palestinian security responsibility, the Palestinian vehicle will be the leading vehicle. The Joint Patrols will be under the direction of the relevant DCO.

e. The Joint Patrols shall continuously monitor movement within their area of operation and shall act to prevent and deal with incidents that may threaten or endanger persons using the roads. They shall report any such incident or threat thereof, as well as any action taken, to the relevant DCO, and to the respective Israeli military and Palestinian police district headquarters.

f. On reaching the scene of an incident, the Joint Patrol will take all measures necessary to deal with the incident, and provide assistance as necessary. The Joint Patrol shall verify that the appropriate measures have been taken and report to the relevant DCO accordingly.

5. Joint Mobile Units

   a. The mission of the Joint Mobile Units (hereinafter "JMUs") is to provide rapid response in the event of incidents and emergency situations, in order to ensure free, unimpeded and secure movement along their designated routes of activity, or in their areas of activity.

   b. The composition of the JMUs will be similar to that of the Joint Patrols.

   c. In areas under Israeli security responsibility, the Israeli vehicle will be the leading vehicle. In areas under Palestinian security responsibility, the Palestinian vehicle will be the leading vehicle. The Joint Mobile Units will be under the direction of the relevant DCO.

   d. The functions of the JMUs are:
      (1) to monitor movement along their designated routes of activity from their stationary locations, from where they may patrol on agreed roads as directed by the relevant DCO, in which case their duties will be the same as those of the Joint Patrols;
      (2) in the event of an incident involving both Israelis and Palestinians, to reach the site of the incident in order to provide assistance and to investigate; and
      (3) any other function determined by the relevant DCO.

6. Joint Liaison Bureaus
   Joint Liaison Bureaus established by the two sides shall operate at crossing points and at terminals as described in Articles V, VI and VIII of this Annex.

7. Other joint activities may be agreed upon in the JSC and/or the RSC.

Article IV
The Palestinian Police

1. Duties and Functions
   As detailed in the Palestinian law, the Palestinian Police shall carry out its duties and functions in accordance with this Agreement as follows:

   a. maintaining internal security and public order;

   b. protecting the public and all other persons present in the areas, as well as protecting their property, and acting to provide a feeling of security, safety and stability;

   c. adopting all measures necessary for preventing crime in accordance with the law;

   d. protecting public installations, infrastructure and places of special importance;

   e. preventing acts of harassment and retribution;

   f. combating terrorism and violence, and preventing incitement to violence; and

g. performing any other normal police functions.

2. Structure and Composition

a. The Palestinian Police shall consist of one integral unit under the control of the Council. It shall be composed of six branches:
(1) Civil Police (Al Shurta);
(2) Public Security;
(3) Preventive Security;
(4) Amn Al Ri'asah;
(5) Intelligence; and
(6) Emergency Services and Rescue (Al Difa'a Al Madani).
In each district, all members of the six Police branches shall be subordinate to one central command.

b. The Palestinian Police shall have a Palestinian Coastal Police unit in accordance with Article XIV of this Annex.

3. Deployment

a. During the interim period, the total number of policemen of the Palestinian Police in all its branches in the West Bank and the Gaza Strip will be no more than 30,000 out of which up to 12,000 policemen may be deployed in the West Bank and up to 18,000 policemen in the Gaza Strip. These numbers may be changed by agreement, if necessary. The Palestinian side will notify Israel of the names of the policemen recruited to the Palestinian Police in the Gaza Strip.

b. In accordance with the stages of the first phase of redeployment of Israeli forces in the West Bank, up to 6,000 of the above-mentioned 12,000 Palestinian policemen may be deployed in the West Bank in Area A and, as set out in paragraph 3 of Article V, in Area B, as detailed in Appendix 2.

c. The remaining 6,000 Palestinian policemen will be deployed in the West Bank according to the phases of the further redeployments or as needed, as agreed upon by the two Parties.

d. The Palestinian Police shall be deployed as shown on attached map Nos. 3 and 5.

4. Recruitment

a. The Palestinian Police shall consist of policemen recruited locally, and from abroad (from among individuals holding Jordanian passports or Palestinian documents issued by Egypt). The number of Palestinian recruits from abroad shall not exceed 5,000 in the West Bank and 7,000 in the Gaza Strip.

b. Palestinian policemen coming from abroad may be accompanied by their spouse and sons and daughters.

c. The Palestinian policemen to be recruited pursuant to this Agreement shall be West Bank or Gaza Strip residents who will be duly trained to perform police functions.

d. The Palestinian side will notify Israel of any candidate for recruitment to the Palestinian Police. Should Israel object to the recruitment of any such candidate, that person shall not be recruited.

e. In accordance with Palestinian law, the employment of policemen who have been convicted of serious crimes, or have been found to be actively involved in terrorist activities subsequent to their recruitment, will be immediately terminated, and their weapons and police identification documentation will be confiscated.

5. Arms, Ammunition and Equipment

a. In the West Bank and the Gaza Strip, uniformed policemen may carry arms, and plainclothes policemen on duty who hold special accreditation may carry personal light arms concealed in their clothing, in accordance with this Agreement.

b. In the West Bank, the Palestinian Police will possess the following arms and equipment:
   (1) up to 4,000 rifles;
   (2) up to 4,000 pistols;
   (3) up to 120 machine guns of 0.3" or 0.5" caliber; and
   (4) up to 15 light, unarmed riot vehicles of a type to be agreed on between the two sides in the JSC.

c. In the Gaza Strip, the Palestinian Police will possess the following arms and equipment:
   (1) 7,000 light personal weapons;
   (2) up to 120 machine guns of 0.3" or 0.5" caliber; and
   (3) up to 45 wheeled armored vehicles of a type to be agreed on between the two sides, and of which 22 will be deployed in protecting Council installations. The use of wheeled armored vehicles in the Security Perimeter, on the Lateral Roads and on their adjacent sides, or in the vicinity of the Settlements shall be approved through the relevant DCO. Movement of such vehicles along the central North-South road (Road No. 4) in the Gaza Strip may take place only after providing notification to the relevant DCO.

d. The number of arms or items of equipment specified in subparagraphs b. and c. above may be increased subject to the agreement of both sides.

e. The Palestinian Police will maintain an updated register of all weapons held by its personnel.

f. The Palestinian Police may possess communication systems, subject to Article 36 of Annex III, and distinctive uniforms, identification badges and vehicle markings.

g. In this Annex, the term "weapons" includes firearms, ammunition and explosives of all kinds.

6. Introduction of Arms. Equipment and Foreign Assistance

a. All foreign contributions and other forms of assistance to the Palestinian Police must comply with the provisions of this Agreement.

b. The introduction of arms, ammunition or equipment intended for the Palestinian Police shall be coordinated through the JSC, in accordance with its established practices.

7. Movement

Movement of Palestinian policemen between the West Bank and the Gaza Strip will be conducted in accordance with Article X of this Annex.

Article V
Security Arrangements in the West Bank

1. Coordination and Cooperation in the West Bank

As shown on map No. 4, eight DCOs will function in the West Bank, as follows:

a. a DCO for the Jenin District, located at the Quabatiya junction or in its vicinity;

b. a DCO for the Nablus District, located at the Hawara Junction;

c. a DCO for the Tulkarm District, located at the Kaddouri Junction;

d. a DCO for the Qalqilya District located at Tsufin Junction;

e. a DCO for the Ramallah District, located at the Beth El junction or in its vicinity;

f. a DCO for the Bethlehem District, located at the Panorama Hills in Beit Jala;

g. a DCO for the Hebron District, located at Har Manoakh (Jabal Manoah); and

h. a DCO for the Jericho District, located at Vered Yericho, that will maintain a subordinate Joint Liaison Bureau in the Allenby Terminal.

2. Area A

a. The Council will, upon completion of the redeployment of Israeli military forces it each district, as set out in Appendix 1 to this Annex, assume the powers and responsibilities for internal security and public order in Area A in that district.