Review of the new Import Reform in Israel

The Israeli parliament has recently approved a major reform, intended to facilitate trade and to remove trade barriers. It is called "the import reform" and it includes two main principles:

- 1. Products that are in compliance with the regulation in major advanced countries should be good for Israel as well.
- 2. The method of enforcement should be based on importers declaration alongside with smart and effective marker surveillance.

This reform is implemented differently for different products and includes changes in the regulation for food, cosmetics, electric home appliances, and many other products that needs to be in compliance with an official Israeli standard.

Here is a short overlook of the reform:

Import Reform - Standardization

Official standards applies to many products including: electrical and electronic products, houseware, chemicals and toys. (The reform does not apply to all products in the same way).

This is a comprehensive reform that includes significant changes in two laws. Two key issues underline the reform:

One, the transfer of an extensive range of standards to declaration-based import (instead of the need for an Israeli laboratory approval). (We will know which standards are transferred to declaration based import in a few weeks).

There are a limited number of standards that we already know will remain in the most strict import regime, which requires a full model approval + a check done by a certified Israeli lab every shipment:

- Lifting equipment;
- Pressure equipment;
- Fittings or appliances used in home cooking gas systems including gas tanks, counters, faucets, piping, gas appliances;
- Fire safety equipment and fire detection and extinguishing equipment;
- Iron used for concrete;
- Facilities for children in playgrounds;
- Toys for children up to age 3;
- Pacifiers and nipples used for breastmilk;
- Pacifier holder;
- Bottles and utensils for feeding babies;
- Low and medium voltage power cables.
- It was also agreed that solar water heaters, thermostats and grinding accessories will remain in this strict regime for six months once the reform will come into force.

The second; "international route" which enables to import products that are in compliance with the updated international adopted standard- as long as the product is also in compliance with the Israeli electricity network requirements and the Israeli markings requirements in Hebrew. Standards that do not have this option,

meaning they won't be able to enjoy this "international route" are listed in annex 3 of the amended standards law – A list that is supposed to decrease later.

Importers declaration needs to be based on a test report issued by a laboratory which is accredited by an accreditation body under ILAC.

This reform makes it much easier to import many products based on an importer declaration. In order to make sure that the public safety is not neglected, the reform includes comprehensive enforcement plan.

Valid as of June 2022 with 9-month postponement option.

Import Reform - Food

The Public Health Protection Law (food) was amended according to the following basic principles. The reform is expected to include a number of updates for the importer:

- Adoption of EU regulation stating the requirements in Europe in terms of chemical and biological contaminants (excluding listeria and salmonella) and pesticide residues (with certain exceptions).
- Definition of "GIP good importer practice" –this is a new definition for an importer who has HACCP based procedures in regards to food quality and safety.
- New import route for the "GIP" the "European route"
 Enables the import of food based on the declaration even for some of the products that are "sensitive" food products (such as pasteurized dairy products; honey products; gelatin and collagen based products, low-level acidity canned food; products that needs to be stored or delivered in a

- temperature lower than 8°C, drinking and mineral water in bottles, food coloring and others).
- Removing trade barriers in Israeli food standards.
- The reform is expected to include a comprehensive enforcement plan with separate memorandum to be approved later, with stringent criteria and the authority to impose significant financial sanctions for violations.

Valid as of January 2023 with 9-month postponement option.

Import Reform - Energy Efficiency

The Energy Efficiency regulation was amended in a way that adopts regulation for energy efficiency from the EU, for a wide range of products.

The relevant products are:

- Air conditioners
- Refrigerators
- Washing machines
- Tumble dryers
- Dishwashers
- Ovens
- Light bulbs, and ballast for fluorescent light bulb
- TV converter
- Three-phase electric appliances and others

Valid as of September 2022 with 9-month postponement option.

Import Reform - Cosmtiecs

The chapter of the Pharmacists ordinance from 1981, dealing with cosmetics, was amended according to the following principles:

The changes following the reform include:

- Adoption of the EU regulatory framework for cosmetics.
- Transfer of compliance responsibility from the regulator to the responsible person.
- Encouraging exports from Israel by aligning key regulatory principles with the EU.
- Increasing the variety of products that can be sold in the Israeli market.
- Enabling simultaneous EU and Israeli cosmetic product launches. Opening the market for competition.

The Reform's principles:

Responsible person- product compliance should be managed by the responsible person according to the requirements detailed in the law.

- No pre-marketing registration.
- An online pre-marketing notification.
- Compliance is based on the EU Product Information File (PIF) format.
- The PIF needs to be readily available to the Israeli
 Responsible Person, it can be written in the English language,
 and doesn't have to managed to locally in Israel.
- Market surveillance and monitoring by the Ministry of Health.

Valid as of January 2023 with 9-month postponement option.

In addition, Imports in the existing model will continue at least four years in parallel with the possibility of imports on the basis of compliance with EU regulations above.

Remark: This is a general review which is neither comprehensive nor binding, but merely intended to review the main topics of the reform.

The mandatory documents are those that were published in the Official Gazette.

For a more detailed document please <u>press here</u>