

## ANNEX I

Understanding on the Application of Article 13.3

In reference to Article 13.3 of Chapter IV Israel has agreed to the postponement of the implementation of this provision until such time as the Member States of MERCOSUR have established the necessary internal procedures for such implementation.

In the case that free circulation of goods within the Member States of MERCOSUR has not been completed in accordance with CMC Decision 54/04 of MERCOSUR, the Joint Committee of the Agreement shall determine the appropriate measures to ensure the implementation of Article 13.3 of Chapter IV.