

**THEMATIC COMPILATION OF RELEVANT INFORMATION SUBMITTED
BY ISRAEL**

ARTICLE 12 UNCAC

PRIVATE SECTOR AND PUBLIC-PRIVATE PARTNERSHIPS

ISRAEL (THIRD MEETING)

The State of Israel has enacted a wide range of legislation aimed at preventing corruption involving the private sector, as well as in relation to the other provisions in article 12(1) of UNCAC. This legislation includes, *inter alia*, the **Penal Law, 1977**, the **Securities Law, 1968**, the **Income Tax Ordinance (New Version), 1961**, the **Companies Law, 1999** and the **Business Licensing Law, 1968**. **These laws and amendments thereto are published in official records, which are publicly accessible.** Private associations and partnerships are respectively regulated by the **Associations Law, 1980** and the **Partnership Ordinance (New Version), 1975**, and they are overseen by the **Associations Registrar and the Partnerships Registrar**, as applicable.

Private corporations in Israel are regulated by the **Companies Law, 1999** and are subject to the authority of the **Companies Registrar** and the **Israel Corporations Authority**. Relevant provisions in the **Companies Law** explicitly address proper standards of corporate governance as well as required procedures in conflicted transactions. Private corporations are therefore required to submit to the Companies Registrar information and annual reports concerning, among other subjects, their stockholders and directors. In certain circumstances, they are also required to submit their annual balance sheet. **The information reported is made available to the public, including online at the Israel Corporations Authority's website.**

Transparency in the financial markets is further promoted in the securities market through the reporting requirements of **Section 36** of the **Securities Law, 1968** and regulations made there-under, such as the **Securities Regulations (Periodic and Immediate Reports), 1970** and the **Securities Regulations (Editorship of Annual Financial Reporting), 1973**. Disclosure requirements and procedural standards have been further enhanced through amendments introduced to this regulatory framework as well as through many recently enacted corporate and financial reporting regulations. Enhanced disclosure is now required on matters such as transactions involving conflicts of interest (particularly controlling shareholders transactions), managerial terms of employment and compensation, and corporate exposure to fluctuations in value and prices of raw materials or foreign currency.

The Civil Service Law (Post Employment Restrictions), 1969, imposes certain limitations on former public officials aimed at preventing potential conflicts of interest. Section 8 of this law provides that infringement of the law constitutes a criminal offense

punishable by a fine or up to six months of incarceration. The limitations are imposed on former public officials of different ranks and responsibilities in the public service. The **Cooling Off Period for Members of the Security Forces Law, 2007** was enacted so as to modify the relevant cooling-off period imposed on former members of the armed forces, particularly in regards to candidates for political office or nominations. **All laws and relevant case law are regularly published and available through official publications.**

The Income Tax Authority has published a Collection of Interpretations of the Income Tax Ordinance (the "Habak"), which is an important tool in carrying out tax assessments. The Habak informs the public of the Income Tax Authority's policy regarding the interpretation of the Ordinance. **Circulars issued by the Authority are regularly published on the Authority's website.**

In November 2009, an explicit prohibition on the deductibility of bribes was introduced into the **Income Tax Ordinance, 1961**. This legislative amendment reflected the view previously expressed by the Israeli Supreme Court, according to which disallowing the tax deductibility of bribes serves not only as a strong counterincentive to corrupt activities but also as a politically visible sign of the common international commitment to combat bribery. A Circular entitled "The prohibition of bribery of Foreign Public Officials", issued by the Israel Tax Authority in 2011, reflects this Amendment to the **Income Tax Ordinance. The circular was published on the Israel Tax Authority website, and distributed to all tax inspectors.**