



December 2018



Israel Securities Authority's Proposal for Granting Companies the Option to Submit Reports in English

The Israel Securities Authority has published draft regulations, for comments by the public, which will allow companies to choose, voluntarily, to submit reports in English.

On December 9, 2018, the Israel Securities Authority published the text, for comments to be made by the public (by January 31, 2019), of the draft of the Securities Regulations (Reporting in English), 5779-2018, which deal with the granting of the possibility to submit reports in English, to all of the companies traded in Israel that wish to do so.

As clarified in the proposal, at the present time, the mandatory reporting language for corporations reporting in Israel is Hebrew, and there are two main groups of companies that are allowed to submit reports in English instead of reporting in Hebrew: technology (high-tech) companies and dual-listed companies, i.e., companies that are traded on recognized stock exchanges abroad and on the Stock Exchange in Israel.

In accordance with the proposal, the possibility of submitting reports in English will be granted to all of the companies that wish to do so (a voluntary choice).

A company that is issuing its securities to the public for the first time – is entitled to determine in its prospectus that it will submit reports in English, and therefore, the investment decision will constitute consent by the investors with respect to the company's reporting language (and the general meeting's approval will not be necessary).

The company will continue to submit reports in the language that it undertook to submit them in the prospectus, unless a change of language is approved, as set forth below.

An existing reporting corporation – for the purpose of the transition to reporting in English, the following authorizations are required:

1. Approval of the Board of Directors of the Company; and also –
2. Approval of the meeting of each class of securities of the Company, with a majority that does not include the Company's controlling shareholders.

After passing the said resolution, the corporation will submit an immediate report to that effect, and the date of the commencement of the reporting in English will not be prior to the expiration of 30 days from the date of publication of the immediate report.

A reporting corporation that publishes reports in English may change the reporting language into Hebrew, upon the same conditions as set forth above with respect to the transition of an existing reporting corporation from Hebrew into English.

For the Draft Securities Regulations (Reporting in English): [click here](#).

For further information please contact:

Sharon Werker-Sagy, Partner

✉ sagy@gornitzky.com

Yair Shiloni, Partner

✉ shiloni@gornitzky.com