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Regulation of Investment Advice, Investment Marketing and Portfolio Management Regulations (Foreign Dealers) 5771-2011

By virtue of my powers under sections 10H and 42 of the Regulation of Investment Counseling, Investment Marketing and Portfolio Management Law 5755-1995 (hereafter: the Law) upon a proposal by the Authority and with approval by the Knesset Finance Committee I make these regulations:

Definitions

1. In these regulations –
 "foreign permit", **"foreign dealer"** and **"foreign body corporate"**- as defined in Chapter Two "A" of the Law;
 "Register of Foreign Dealers" – within its meaning in Chapter Two "A" of the Law;
 "foreign bank" – as defined in section 10B(b) of the Law

Registration application

2. (a) A foreign dealer and a licensed body corporate that want to be registered in the Register of Foreign Dealers shall submit an application to the Authority, in which they shall include or to which they shall attach the following particulars and certifications:
 - (1) the name of the foreign dealer, the state in which it was given the foreign permit, the name of the body that supervises it in the state of origin and the location of the center of its business;
 - (2) particulars for communication with the foreign dealer abroad, including a postal address and telephone and facsimile numbers;
 - (3) the foreign dealer's address in Israel for the service of Court documents;
 - (4) a written agreement between the foreign dealer and the licensed body corporate, as said in section 10B(a)(1) of the Law;
 - (5) if the foreign dealer is a body corporate, the name shall be given of the person on its behalf whose assignment is to maintain the connection with the licensed body corporate and the Authority (hereafter: the representative); also stated shall be the representative's postal address, telephone and facsimile numbers, his e-mail address and the identity of all persons employed in the name of the foreign dealer in the provision of the services;
 - (6) certification of payment of the registration fee said in regulation 24(d) of the Regulation of Investment Counseling, Investment Marketing and Portfolio Management Regulations (Application for a License, Examinations, Internship and Fees) 5757-1997;
 - (7) a declaration by the licensed body corporate about the following:
 - (a) that the licensed body corporate and the foreign dealer meet the qualifications said in section 10B(a) of the Law;
 - (b) that it found no fault in the credibility of the foreign dealer and

- of the persons employed in its name in the provision of the services;
- (c) that it is aware of the Law's provisions on contracting with a foreign dealer, also in respect of the responsibility imposed on it in respect of the foreign dealer's acts, as said in section 10E of the Law, and including the supervisory obligation imposed on it by virtue of section 10F of the Law;
 - (d) that the persons employed in providing services in the name of the foreign body corporate shall all be holders of foreign permits';
 - (e) if it is a foreign bank – that it also complies with the conditions prescribed in section 10B(b) of the Law;
- (8) a reasoned opinion by an advocate in respect of all the following, addressed to the Authority:
- (a) certification that the foreign dealer holds a foreign permit;
 - (b) in respect of a foreign body corporate, also certification that –
 - (1) it was incorporated abroad;
 - (2) it is controlled by persons who are not Israel residents;
 - (3) its activity under the foreign permit is generally carried out abroad;
- (9) a working procedure that regulates conduct and working relations between the licensed body corporate and the foreign dealer, and if it is a foreign body corporate – also in connection with the persons employed in the name of the foreign body corporate in providing the services;
- (10) certification by the insurance company that insures the licensed body corporate's liability, according to which the insurance also applies to the activity of the foreign dealer in the provision of services to clients of the licensed body corporate.
- (b) The Authority Chairman or an employee so authorized by him may demand additional documents that are needed for the Authority's consideration of the application.
 - (c) The applications and documents said in this section shall be in Hebrew, and the documents may be submitted in a language that is not Hebrew, provided a notarized translation into Hebrew is attached to them.
 - (d) There shall not be any misleading particular in the documents submitted to the Authority.
 - (e) The application according to this regulation shall be submitted by the licensed body corporate according to section 27A of the Law.

Registration certificate

3. When it has been proved to the Authority that the licensed body corporate and the foreign dealer meet the conditions in section 10H of the Law, it shall enter them in the Register of Foreign Dealers and the Authority Chairman or an employee so authorized by him in writing shall give them a registration certificate.

Updating registration particulars

4. A licensed body corporate that is registered in the Register of Foreign Dealers shall report to the Authority, as soon as possible, any change of any particular specified in the registration application.

Demand by the Authority for information

5. The Authority Chairman or an employee so authorized by him may demand from a licensed body corporate that is registered in the Register of Foreign Dealers additional information in connection with the foreign dealer and its activity, and they may prescribe how the information is to be provided and set a time for its provision.

Effect

6. These regulations shall go into effect 60 days after their publication. (*Date of publication: January 31, 2011 – Tr.*)