



## ISRAEL SECURITIES AUTHORITY

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### **Circular to the Licensed Corporations**

Regarding the date for submitting the Equity Capital and Insurance Report for 2019 according to article 27 of the Regulation of Investment Advisors, Investment Marketers and Portfolio Managers Law, 5755 – 1995

To: Licensed Corporations

By way of the Yael System

Article 27 of the Regulation of Investment Advisors, Investment Marketers and Portfolio Managers Law, 5755 – 1995 and Regulation 8 of the Regulation of Investment Advisors, Investment Marketers and Portfolio Managers (Reports), 5775 – 1995 regulations (hereafter: “the Reporting Regulations”) establish that a licensed corporation is obligated to submit to the Israel Securities Authority (ISA), no later than March 31<sup>st</sup> of each year, a report on the fulfillment of the insurance requirements and on the quantity of insurance and the fulfillment of the equity capital requirements as of December 31<sup>st</sup> of that year. In the case of a portfolio management corporation, the report will also include the value of the managed assets, together with the auditor’s verification of the data (hereafter: “Annual Equity Capital and Insurance Report”).

Regulations 33–36 of Reporting Regulations require that licensed corporations submit to the ISA, not later than March 31<sup>st</sup> of each year, a report of their organizations structure, their officeholders, its other areas of activity, etc. as of the end of the past year (hereafter: the “Organizational Structure Report”).

In addition, licensed corporations must submit quarterly reports to the customer.

The economy as a whole is currently in a crisis as a result of the spread of the COVID-19 virus, which is having a significant effect on capital markets in Israel and abroad. The corporations are being forced to continue operating with reduced manpower, which is working from various sites, while making an increased effort to meet the needs of customers who wish to sell assets or alternatively are seeking urgent advice on what to do with their portfolio. The accessibility of licensed professionals is all the more important for their clients during this period. Under these circumstances, the staff of the ISA is seeking to enable licensed corporations to devote as much of their time as possible to the aforementioned tasks.

Therefore, the ISA is announcing that it will not initiate or recommend the implementation of any enforcement measures related to the late submission of the Annual Equity Capital and Insurance Report and the Organizational Structure Report, on the condition that the licensed corporation submits the reports by May 31, 2020.

In addition to the aforementioned motives, the decision of the ISA regarding the deferral of the date for submitting the reports is based on the fact that these reports are not submitted to customers but only to the ISA and that the quarterly reports for the last quarter of 2019 on the amount of insurance have already been submitted.

Sincerely,

Elhanan Harmor

Director of the Unit for Supervision of Licensed  
Professionals