



רשות ניירות ערך
ISRAEL SECURITIES AUTHORITY

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Notice to companies: Voluntary release of English translations of reports

In recent years, the Israel Securities Authority (the “ISA”) has been working to open up the Israeli capital market to the world. Among other efforts, the ISA is working to improve companies’ access to the dual-listing arrangement through increased collaboration with foreign regulators and mutual recognition; expand the presence of foreign investors in the Israeli capital market; and improve their access to listed companies’ reports. The activity of foreign investors in Israel is expected to contribute to the creation of financial benefit to investors and the Israeli capital market in general, and in this context the ISA staff recently released a paper on the positive influence of international institutional shareholders on publicly-traded companies in Israel¹.

In this context, the Minister of Finance has delivered to the Knesset’s Finance Committee, for its approval, an amendment to the regulations initiated by the ISA, that will enable companies to file their reports in English, instead of Hebrew which is the language currently mandated by law for reporting². The ISA is also promoting reporting in the international language iXBRL to enable report readers worldwide to read the numeric data in every financial statement³.

¹ Ilan Gildin, Dr. Alon Zilburg, Guy Sabah, “The influence of international institutional shareholders on publicly-traded companies in Israel”, November 2019, available [here](#) on the ISA website.

² Other than for companies cross-listed according to the provisions of Chapter E3 of the Securities Law, 5728-1968, Tech-Elite Corporations as defined in the Securities Regulations (A corporation whose shares are included in the TA Tech-Elite Index), 5776-2016 and certain specific exceptions which allow the attachment of financial statements of associated companies or valuations.

³ See the proposed Securities Regulations (Reporting in English), 5779-2018, as released on the ISA website.

The possibility of reporting in English (in lieu of reporting in Hebrew) is still not yet available to most reporting corporations. However, corporations wishing to do so can make a “convenience translation” of any or all of their reports into English and release the translation on the MAGNA system alongside the reports in Hebrew. Such release represents significant beneficial potential to both foreign investors and companies traded in the local capital market.

Further to the news release, published in 2007 the ISA staff wishes to encourage companies to release English translations of their reports not only on their websites but also on the MAGNA system, and clarifies as follows:

- Companies wishing to do so may release English translations of any or all of their reports on the MAGNA system, alongside their reports in Hebrew.
- Companies choosing to file convenience translations of reports into English are requested to prominently state at the top of the translation, in English, that the translation is for convenience only and that the binding version is the report filed in Hebrew. Furthermore, companies choosing to release partial convenience translations of their reports (for example, only a translation of the financial statements out of the annual report) are requested to also give clear expression thereto, clarifying that the translation is not a full translation.
- Companies are requested to apply a consistent policy as to the types of reports to be translated into English, to reflect such policy at the top of the translation, and to give advance notice of at least 30 days, in English, if they intend to stop translating their reports or modify their translation policy.
- The convenience translations are the responsibility of the companies and the ISA does not intend to check them.
- The convenience translations shall be reported on a form added to the MAGNA system for this purpose, T150 (public) - English convenience translation of the original Hebrew report.

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