

MAGNA Registration Process for Foreign Fund Managers

Under Amendment 23 to the Joint Investment Trust Law 5774-2014, and the entry into effect of the Joint Investment Trust Regulations (Foreign Fund Unit Offerings) 5776-2016 (hereinafter, “the Unit Offerings Regulations”) on November 5, 2016, foreign fund manager (the management company) may offer units to the Israeli public beginning from January 1, 2017, after receiving the ISA (Israel Securities Authority) approval. Such approval will be granted after the ISA will verify that the foreign fund manager meets all the conditions defined in the Unit Offering Regulations, which govern the terms of offering foreign fund units in Israel, the approval application submission process, the documents to be attached to the application, and the reporting requirements that apply to foreign fund managers.

To submit an application for approval to offer foreign fund units to the Israeli public, the foreign fund manager must first register in the MAGNA system (for electronic reporting) and in the YAEL system (for secure emailing). This document describes the registration process and the steps that must be completed by the foreign fund manager and his representative in Israel in order to make the preliminary registration to the ISA electronic reporting system.

The MAGNA system is used by the entities regulated by the ISA (“Supervised Entities”) to post immediate reports, which are then distributed to the Tel Aviv Stock Exchange and the general public.

MAGNA also receives non-public immediate reports, and is also used for correspondence with the ISA.

The YAEL system is used by the ISA to send secured messages to the Supervised Entities.

1. Submit the MAGNA registration form

- 1.1. To register a foreign fund manager in the MAGNA system, it is required to complete, sign, and submit the registration form, as described in paragraph 1.2 below. To ensure that the form has been properly completed before submission, the draft form may be send by email to kerep@isa.gov.il (with a Cc recipient - hillelb@isa.gov.il).

After receiving confirmation that the form is properly completed, send the original signed form to ISA offices in Tel Aviv, at 35 Montifiore Street, Entrance B, Floor #3, or in Jerusalem at 22 Kanfe Nesharim Street, between the hours of 8 AM and 4 PM. Please address the envelope to “The Information Systems Department – Administration.”

No fee is required to submit the registration form.

1.2. The registration form comprises the following two sections:

- Section 1: A preliminary registration of the foreign fund manager. This section must be signed by the CEO and CBOD of the foreign fund manager, or by a director authorized by the BOD for this purpose in lieu of any one of these.
- Section 2: According to the Unit Offerings Regulations, all foreign fund managers are required to appoint a representative in Israel ("the Representative"). Section 2 is the preliminary registration of the authorized signatory/ies of the foreign fund manager's representative in Israel (hereinafter, "Signatory"). This section contains the details of the senior officer/s of the Representative who will be designated signatory/ies. Only designated signatories may submit reports through the MAGNA system. Section 2 must be completed separately for each signatory of the representative and it must be signed by the Representative's CEO and CBOD, or by a director authorized by the BOD for this purpose in lieu of any of them.

1.3. To The registration form [CLICK HERE](#).

2. Obtain a token and complete preparations for reporting

2.1. After the ISA examines the preliminary registration of the foreign fund manager and of the authorized signatory/ies of the foreign fund manager's representative in Israel, it delivers by email an approval to the signatory to issue an electronic certificate - a dongle ("token"). The token enables the communications on the MAGNA and YAEL systems. The token is issued by a local Comsign office. The cost of this token is paid directly to Comsign. Before leaving Comsign's offices, use your token to attempt to access the MAGNA system from Comsign's computers. A single token is issued for each signatory.

For more information on the Signatory's function and for Comsign connection details, [CLICK HERE](#) (in Hebrew).

2.2. After confirming that the token can be used to access the MAGANA system on Comsign's computers, complete the following steps using the Representative's computers in its own offices. These steps are required before the signatory can use the MAGNA system to submit reports on behalf of the foreign fund manager:

2.2.1. Install the MAGNA system on the Representative's computer/s.
Instructions are available at –

http://www.isa.gov.il/About_/13/Pages/Preparation.aspx (in Hebrew)

2.2.2. To be able to attach PDF files to reporting forms as required, purchase and install PDF SKY software, which is compatible with MAGNA. For information on PDF SKY software and how to purchase it, refer to <https://proservices.taldor.co.il/> (in Hebrew).

2.2.3. After installing these software packages, connect the token to the computer in order to access the MAGNA and YAEL systems.

3. Register in the MAGNA and YAEL systems

Complete the registration to MAGNA and YAEL by filling Form F301 “Application to add/remove electronic signatory to reporting entity.”

Select the first option on this form (“MAGNA and YAEL SYSTEMS”).

Use the “Recent Reports” screen to verify that the form was received. It is in fact your legal obligation to verify the status of every report that you submit through the system.

The registration process is complete.

4. Submit a report through the MAGNA system by the signatory

4.1. After completing the registration process, the Representative will register as the foreign fund manager representative by filling form F010 and may apply for ISA permit to offer units of a foreign fund, managed by the foreign fund manager, to the public in Israel, by completing the following forms: F200 and F201. These forms are not accessible to the public.

4.1.1. In Form F200, the Representative gives notice of the foreign fund manager's intention to establish a foreign investment fund in Israel;

4.1.2. In Form F201, the Representative applies for a Permit to Offer Units of foreign fund to the public (“Permit to Offer Units”);

Until the Permit to Offer Units is issued by the ISA, all correspondence between the Representative and the ISA is not public.

4.2. Permit to Offer Units of a foreign fund is sent to the Representative through the YAEL system. When the ISA issues a permit, the status of the foreign fund in the YAEL system becomes “Active.” From this point, the Representative may submit all required reports on behalf of the foreign fund manager through MAGNA.

- 4.3. To submit a report through the MAGNA system, use the appropriate F Form that is available on the MAGNA website. For a list of available forms, [CLICK HERE](#) (in Hebrew). The list is updated from time to time. See the Unit Offerings Regulations for information on the foreign fund's reporting requirements.

5. Technical support and assistance

- 5.1. Please see frequently asked questions concerning technical issues at http://www.isa.gov.il/About_qa/Pages/default.aspx (in Hebrew).
- 5.2. Technical support and assistance is also available at:
MAGNA Support Center Tel. 972-3-9298778
YAEL Support Center Tel. 972-3-9298765
PDF SKY Support Center Tel. 972-3-9298767
For questions concerning tokens and certificates, please call Comsign, Tel. 972-3-6443620.
For questions concerning the MAGNA and YAEL registration process, please call Tel. 972-2-6556446, 972-2-6556411.
- 5.3. ISA Mutual Funds Supervision Unit contact persons:
Maya Garti Gilboa, mayag@isa.gov.il
Hillel Ben-David, hillelb@isa.gov.il
Yaffit Zurel, yaffitc@isa.gov.il (for assistance in completing and submitting forms).