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Securities Regulations (Application Fee for the Grant of Permission to Publish A Prospectus) 5755-1995

By virtue of my authority under section 55a and 56(a) of the Securities Law 5728-1968 and under section 130A of the Joint Investment Trusts Law 5754-1994, in consultation with the Authority and with approval by the Knesset Finance Committee I make these regulations:

Definitions

1. In these regulations –

"computed consideration" –

- (1) the consideration to be paid for the securities according to the prospectus;
- (2) in respect of securities for which consideration said in paragraph (1) is not received – the product of the number of the said securities multiplied by the average closing price of a security of the same kind on the first three trading days after the offered securities were listed for trading (hereafter: the determined value).

"index" – the Consumer Price Index that the Central Bureau of Statistics.

Fee

2. (a) With the submission of an application to the Authority for a permit to publish a prospectus (hereafter: the application) the offerer shall pay the Authority a fee of NIS 4,200 (hereafter: the fixed amount), plus 0.03% of the total amount of the computed consideration, including the consideration that according to the prospectus will be paid for exercising the right vested in the offered securities to acquire shares or debentures, or of the total nominal value of the securities, all according to the largest amount (hereafter: additional fee).

(b) The fixed amount shall change on January 1 of each year (hereafter: updating day) at the rate of change of the new index over the basic index; for this purpose,

"the new index" – the last index published before the updating day;

"the basic index" – the index last published before the preceding updating day, and in respect of the change of the fixed amount on July 1, 1995 – the index published in December 1994.

- (c) An amount changed as said in subregulation (b) shall be rounded to the nearest amount that is a multiple of NIS 5.
- (d) The chairman of the Securities Authority shall publish the fixed amount, as changed in consequence of the aforesaid index change, in a notice in Reshumot.
- (e) If the total amount of fee to be paid according to the prospectus for the offered securities or the total nominal value of the securities is changed after an application was submitted, the offerer shall – before the permit to publish the prospectus is given – pay the differential of the fee due under subregulation (a), calculated at the minimal price set in the prospectus, and within twenty days after the offerer's notification on the results of the offering by prospectus he shall pay the balance of the fee due, calculated according to the consideration actually received and for the consideration computed according to the fixed amount within seven days after the date of the listing for trading according to the prospectus; if the said amount or the nominal value was reduced, an excess fee that was paid shall be refunded.

Fee when the consideration cannot be determined

- 3. (a) If, when the application is submitted, the consideration that under the prospectus will be paid for the offered securities cannot be determined, the offerer shall, when he submits the application, pay a fee according to regulation 2 on account of the fee due from him, the consideration that will be paid for the securities being set by estimate.
- (b) Before the permit to publish the prospectus is given, the offerer shall supplement the fee due under regulation 2, calculated at the minimum price set in the prospectus.
- (c) Within twenty days after the offerer's notification on the results of the offering in the prospectus the offerer shall pay the balance of the fee due under regulation 2, calculated according to the consideration actually received, and for the consideration computed according to the fixed value within seven days after the date of the listing for trading according to the prospectus.
- (d) If the amount paid on account of the fee exceeds the amount of the fee due under regulation 2, the excess amount shall be refunded to the offerer within 20 days after the offerer's notification of the results of the offering by prospectus.
- (e) A payment said in subregulations (c) and (d) shall not be less than NIS100.

Offer of units

4. (a) When the offerer submits the application for permission to publish a prospectus of a joint investments trust fund, he shall pay to the Authority a fee in the fixed amount, and during the period in which orders are submitted he shall also pay an additional fee, as said in regulation 2(a), on the monthly excess intake; in this regulation, "**monthly excess intake**" – the cash amount transferred to the fund's account in respect of units sold in any month, less the cash amount transferred out of the fund's account in respect of unit redemptions in that month, on condition that the amount so calculated is not negative.
 - (a1) Notwithstanding the provisions of subregulation (a), the offerer shall not pay any additional fee for orders for units of an Israeli group; for this purpose, "**Israeli group**" – as defined in the Joint Investments Trust Fund Regulations (Assets that May Be Bought for and Held by a Fund and their Maximum Proportions) 5755-1994.
 - (a2) Notwithstanding the provisions of subregulation (a), during the period for submitting orders in a monetary fund under his management, the Fund Manager shall pay an additional fee at the rate of 0.01% of the total monthly surplus receipts; for this purpose, "**monetary fund**" – as defined in the Joint Investment Trusts Regulations (Assets That May Be Bought for and Held by a Fund and their Maximum Proportions) 5755-1994.
- (b) The additional fee shall be paid by the 14th of each month in respect of the monthly excess intake in the preceding month; when he makes the payment, the offerer shall report to the Authority the total of all amounts transferred to the fund's account in the preceding month for the sale of units, the total of amounts transferred from the fund's account in the preceding month for the redemption of units and the monthly surplus intake in the preceding month.
- (c) If the additional fee was not paid on the date said in subregulation (b), it shall be changed at the rate of change from the index published in the month in which the consideration was received to the index last published before the date of payment of the additional fee.

Securities offering under a shelf prospectus

- 4A. (a) When he submits an application for permission to publish a shelf prospectus, within its meaning in section 23A(1) of the Law, the offerer shall pay the Authority a fee, but the additional fee shall only be paid in respect of the securities, for which the period for the submission of orders

was prescribed in the shelf prospectus when it was published.

- (b) Without derogating from the provisions of subregulation (a), if securities are offered under a shelf prospectus, within its meaning in section 23A(1) of the Law, and if a shelf offering report was published, the additional fee shall be paid; the additional fee shall be paid in respect of the securities offered when the shelf offering report is published and it shall be paid every month on the 14th in respect of the securities allocated during the preceding month (hereafter: the consideration).
- (c) Notwithstanding the provisions of subregulation (b), the total amount of additional fee to be paid in connection with a shelf prospectus that offers commercial securities shall not exceed 0.03% (three one hundredths per cent) of the maximum value of the commercial securities under the prospectus, which can be held by the public at any one time.
- (d) If the additional fee was not paid on the date said in subregulation (b), it shall change at the rate of change from the index published in the month in which the consideration was received to the index last published before the date for payment of the additional fee.

Offering of commercial securities and of securities of a real estate investment fund

- 4B. (a) If permission was granted to publish a prospectus in which commercial securities or shares of a real estate investment fund are offered, as said in section 64A3(a) of the Income Tax Ordinance (in this regulation: special securities), no additional fee shall be paid for the special securities.
- (b) If only special securities are offered in the prospectus, the offeror shall also not be required to pay the fixed amount.

Foreign fund unit offering

4C. A foreign fund manager shall remit to the ISA, upon submission of an application to offer units of a foreign fund to the public, a fee equaling the fixed amount; For this purpose, “foreign fund manager” and “foreign fund” as defined in Section 113A of the Joint Investment Law.

Cancellation of an application

- 5. (a) If the offerer canceled the application by written notification to the Authority before he received remarks on the draft prospectus from the Authority, all of the fee that he paid shall be refunded.
- (b) If the offerer canceled the application by written notification to the

- Authority within three months after he last received remarks from the Authority on the draft prospectus, 25% of the fee he paid shall be refunded.
- (c) If the offerer canceled the application by written notification to the Authority after three months had passed since he last received remarks on the draft prospectus from the Authority, or after he informed the Authority that he does not wish to receive the Authority's remarks, no part of the fee paid shall be refunded.
 - (d) If the offerer did not submit a corrected draft prospectus within three months after he last received remarks on the draft prospectus from the Authority, after he was informed by the Authority that the abbreviated checking procedure would be used in respect of the application or after he informed the Authority that he does not wish to receive the Authority's remarks, whichever was the latest, he shall be deemed to have canceled the application and the provisions of subregulation (c) shall apply to him.

Exemption

- 6. If permission was given to publish a prospectus in which debentures were offered (hereafter: the original prospectus), but under orders from the Minister of Finance or from a person he appointed under section 39 of the Law the offerer did not issue all or part of the debentures, no fee shall be paid for permission to publish a prospectus in which the debentures not issued under the original prospectus are offered (hereafter: the new prospectus), whether the conditions of the debentures in the new prospectus are identical with the conditions of the debentures in the original prospectus or whether they are different.
- 7. Repealed

Fee payment arrears

- 7A. If the fee or the additional fee was not paid at the time prescribed in these regulations, for each day of delay, beginning with the sixteenth, an amount at the rate of 1/30% shall be added to it.

Repeal

- 8. The Securities Regulations (Application for the Grant of Permission to Publish a Prospectus) 5730-1970 are repealed.