

# Unofficial English Translation<sup>1</sup>

## **Eighteenth Knesset**

Bill proposed by Knesset Members

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2081/18/p

### **Bill on disclosure requirements for recipients of support from a foreign political entity - 2010**

Definitions	1.	<p>In this law –</p> <p>“Amutot Law” – Amutot Law (Law of Associations-ed) – 1981<sup>2</sup>,</p> <p>“Foreign Political Entity” – as defined by 36a (a) of the Amutot Law;</p> <p>“Recipient of Support”, “Recipient of support from a “Foreign Political Entity”- the recipient of monetary support from a foreign political entity for the purpose of funding political activities in Israel, with the exception of diplomatic or consular representation of a foreign state that enjoys diplomatic immunity;</p> <p>“Principle activist of the recipient of support” – decision maker or member of the body that determines the nature of the activity of the recipient of support, including the director, member of the managing board, partner with the exception of a limited partner, managing director and authorized signatory;</p> <p>“Political activity” – activity which aims to influence public opinion in Israel or to influence any actor within any governmental authority regarding any of the elements of domestic or external policies of the State of Israel;</p> <p>“Monetary support from a foreign political entity” – support that has been transferred directly or indirectly according to a directive</p>
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<sup>1</sup> Questions regarding the translation may be sent to [tania@gisha.org](mailto:tania@gisha.org).

<sup>2</sup> ס"ה התש"ם page 127

		of the foreign political entity or someone acting on its behalf, or support that is received by a corporation whereby at least a third of its funding originates from foreign political entities.
Registration	2.	The political parties' registrar should also act as the registrar of the recipient of support of foreign entities (hereinafter – the registrar).
Registering with the registrar	3.	An individual or body will not receive monetary support from a foreign political entity for the purpose of funding political activities in Israel until it has registered with the registrar; in this regard, all support received by someone who funds political activity or engages in it is presumed to be support for the purpose of funding political activity.
Application for registration	4.	The application for registration should state the aims of the applicant, as well as the name, address, identification or passport number of all its principle activists.
Publication by the registrar	5.	The registrar will publicize and update weekly the list of recipients of support on the Ministry of Justice website.
Submission of reports	6.	Immediately following the receipt of monetary support from the foreign political entity, the recipient of support will provide a signed financial report to the registrar detailing the following: <ol style="list-style-type: none"> <li>1. Identity of the donor;</li> <li>2. Amount donated;</li> <li>3. Purpose of the support or its designation;</li> <li>4. Obligations on the part of the recipient of support, provided to the foreign political entity orally or in writing, directly or indirectly, if any exist.</li> </ol>
Publication	7.	<ol style="list-style-type: none"> <li>a. If the recipient of support or entity acting on its behalf has a website, the recipient must publicize prominently the information as laid out in section 6;</li> <li>b. This information will also be publicized on the Ministry of Justice website and anywhere else the registrar deems relevant.</li> </ol>
Submission of reports	8.	The recipient of support will submit to the registrar on an annual basis an account balance revealing the revenue and expenses for each financial year and will include the details listed in section 36 of the Amutot Law and in its second appendix; the recipient of support will provide the registrar a narrative account on an annual basis which will include details relating to issues outlined in the third appendix of the Amutot Law.
Transparency	9.	<ol style="list-style-type: none"> <li>a. The recipient of support or entity acting on its behalf will note its status as a recipient of support on every document that relates to political activity, including electronic documents.</li> </ol>

		<p>b. If the recipient of support or entity acting on its behalf presents issues orally within the framework of a discussion or meeting involving political activity, the recipient of support must note its status as a recipient at the outset of his presentation, if the subject of the discussion or meeting is related to the goals for which he received the support.</p>
A corporation that is a recipient of support	10.	<p>a. A corporation registering as a recipient of support will not shall not diminish obligations imposed on it by other applicable laws.</p> <p>b. A corporation which is a recipient of support will not be considered a public institution as defined by section 9(2) of the Income Tax Ordinance<sup>3</sup>.</p>
Obligation to determine asset sources	11.	<p>a. Responsibility lies with the individual to determine whether the monetary support that was received or that is supposed to be received is from a foreign political entity.</p> <p>b. This law will be applied to a person whether he knew or ought to know that the support is from a foreign political entity.</p>
Personal responsibility	12.	<p>If an association violates a directive of this law, any principle activist of the association at the time of the violation will also be charged with the offence, unless he proves that the offense was committed without his knowledge and that he undertook all reasonable measures to ensure the preservation of the law.</p>
Penalty	13.	<p>a. The recipient of monetary support from a foreign political entity in violation of the provisions of section 3 will face one year imprisonment or a fine as outlined in section 61(3)(a) of the Penalty Law - 1977<sup>4</sup> or four times the value of the contribution received, the higher number between them.</p> <p>b. He who gives a declaration according to section 6 that is fraudulent concerning any substantial detail will face imprisonment of three years</p>
Regulations	14.	<p>The Minister of Justice is authorized to enact regulations to implement this law.</p>

<sup>3</sup> Judgments of the State of Israel, new version 6, page 120

<sup>4</sup> 1977 page 226 n"o

## **Explanatory notes**

The purpose of this law is to increase transparency and repair loopholes in legislation in relation to the financing of political activity in Israel by foreign political entities. Today, a duty to report the receipt of funds is obligatory for non-profit organizations (amutot) only, despite the fact that many bodies undertaking political activity are not registered as non-profit organizations; even this limited duty can be overridden by the transfer of funds through a third-party, or by delaying the report to the point where it is no longer relevant. An additional loophole is the absence of a duty to report the support in publications published by the supported body or with respect to the activities in which it participates. This law effectively balances the rights of political organizations in a democratic state to operate freely, with the right of the Israeli public to know who is funding the promotion of political positions such as these and others.

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Submitted to the chair and deputies of the Knesset

And placed before the Knesset 8.2.10