

ASSETS OF HOLOCAUST VICTIMS LAW
(RESTITUTION TO HEIRS AND DEDICATION TO AID
AND COMMEMORATION) 5766-2006¹

Unofficial Translation

CHAPTER ONE: INTERPRETATION COMMENTARY

The Law's objectives

1. These are the objectives of this Law:

To act for the enhancement of activities to locate assets that are in Israel and of which it may be assumed that their owners perished in the holocaust, and to locate their heirs and others with rights to the said assets, which are managed and held by the General Custodian or by other factors, and to return these assets to holders of rights who have been located;

To cause that those assets said in paragraph (1), of which owners and holders of rights were not located in spite of the efforts to locate them, be used to assist holocaust survivors and also to commemorate the holocaust, to impart knowledge of it to future generations and to commemorate the names of holocaust victims, with priority being assigned to the purpose of assistance for holocaust survivors.

Definitions

2. In this Law-

"manager" – a person who manages an asset by virtue of an Order under section 8 of the General Custodian Law;

"transfer of an asset to The Company for Location & Restitution of Holocaust Victims Assets" – transferring an asset to The company's ownership or to management by the it , as the case may be, as specified in provisions of this Law;

"company" – the Company for Location and Restitution of Holocaust Victims' assets Ltd., which was set up under the provisions of section 3 in order to implement the purposes of this Law;

"Authority" – as defined in the Government Companies Law;

"Supervisory Nominating Committee" – the committee set up under the provisions of section 45;

"Interest Revaluation Committee" – the committee set up under the provisions of section 16;

"Appeal Committee" – the committee set up under the provisions of section 27;

"General Custodian Law" – the General Custodian Law 5738-1978;

"Companies Law" – the companies Law 5759-1999;

"**Government Companies Law**" – the Government Companies Law 5735-1975;

"**Trust Law**" – the Trust Law 5739-1979;

"**day of effect**" – the day on which this Law goes into effect;

"**real estate**" – a real estate right or a right in respect of real estate;

"**securities**" – within their meaning in the Companies Law, even if issued by a body corporate that is not a company;

"**asset**" – real estate, movables and rights, including money and securities;

"**asset of a holocaust victim**" – an asset for which one of the following holds true, except for a German asset, as defined in section 2(h) of the German Property Law 5710-1950:

- (1) it is in Israel and the last known holder of rights to it is a person who was last known to be in an area, which on September 1, 1939, belonged to one of the states specified in Schedule One, and it is not known whether the said holder of the rights remained alive after December 31, 1945, or it is known that he died during the period between September 1, 1939, and December 31, 1945 in an aforesaid area;
- (2) it is an asset that – under the provisions of section 21 of the General Custodian Law – is treated as if a management order had been made in its respect;
- (3) it is the consideration for an asset for which the provisions of paragraph (1) hold true, on condition that the provisions of paragraph (1) hold true for the said consideration;

"**Companies Ordinance**" – the Companies Ordinance [New Version] 5743-1983;

"**special locating procedure**" – within its meaning in Article Two of Chapter Four;

"**the Minister**" – the Minister of Justice.

CHAPTER TWO: ESTABLISHING THE COMPANY, ITS OBJECTIVES AND TASKS

Establishing the Company

- (a) In order to implement the objectives of this Law, a company shall be set up under the provisions of the Companies Law, which shall act only for the public objectives and for the tasks specified in section 4; The Company shall not have the right to change, add to or derogate from its name, its objectives and its tasks.
- (b) The Company does not have the right to distribute profits to its shareholders or to make distributions in any other manner; for this purpose, "**distribution**" – as defined in the Companies Law.
- (c) The Company shall act according to the provisions of this Law and the provisions of the Government Companies Law shall apply to it as said in section 64, as well as the provisions of the Companies Law, subject to the provisions of the said section.
- (d) The Companies Registrar shall register The Company in the Companies Register, within its meaning in the Companies Law, only after a certificate

from the Authority was presented to him, certifying that The Company's by-laws comply with the provisions of this Law.

The Company's objectives and tasks

4.

- (a) The Company shall act and do everything necessary for the realization of the objectives of this Law and the performance of its tasks, as specified below:
 - (1) to conduct activities for the location of assets of holocaust victims and for the transfer of assets located by It, and to manage them according to the provisions of this Law;
 - (2) to conduct activities in order to obtain information about assets of holocaust victims and about the last known holders of rights to them, and also activities to trace heirs and other holders of rights to said assets;
 - (3) to return assets of holocaust survivors or their fair value to persons entitled to them, according to the provisions of this Law;
 - (4) to assist holocaust victims in need of assistance, Including assistance in the spheres of medical treatment, nursing care, welfare, moral and economic support, and to support institutions and bodies, the purpose of which is assistance to holocaust victims (in this Law: objective of assistance);
 - (5) to support institutions, bodies, activities and initiatives, the purpose of which is commemoration, documentation, and education of the memory of the holocaust, its transmission to future generations and the commemoration of holocaust victims according to the provisions of section 34(c) (in this Law: objective of commemoration).
- (b) In the performance of its tasks said in paragraphs (4) and (5) of subsection (a), The Company shall prefer the use of assets for the objective of assistance over the use of assets for the objective of commemoration, and no aid or support for these objectives shall be extended to any Government institution, including local authorities.
- (c) The Company shall act for the realization of its objectives and the implementation of its tasks in accordance with the rules that obligate a person who lawfully holds a public position.

CHAPTER THREE: TRANSFERRING ASSETS OF HOLOCAUST VICTIMS TO THE COMPANY'S OWNERSHIP OR ITS MANAGEMENT

Article One: Transfer of assets Managed under the General Custodian Law

Transfer of assets to the Company by the General Custodian or by a manager

5.

(a)

- (1) The asset of a holocaust victim, which is not real estate and which on the day of effect is managed by the General Custodian or by a manager, shall be transferred to The Company's ownership within a period of three months after the day of its establishment (in this Chapter: transfer period).
 - (2) An asset said in this subsection, which is money or securities, shall be transferred to The Company's ownership with the addition of linkage differentials and interest, as the Interest Revaluation Committee shall prescribe, and deduction of management fees collected under the provisions of section 12 of the General Custodian Law up to the date of the transfer to The Company ; notwithstanding the provisions of paragraph (1), the General Custodian or the manager may – with The Company's consent – transfer the linkage differentials and interest in periodic payments at times that differ from those said in paragraph(1), if he obtained The Company's consent thereto.
 - (3) An asset said in this subsection, which is not money or securities, shall be transferred to The Company's ownership with the profits produced by it and credited to the asset, less losses charged against the asset and less management costs collected under section 12 of the Administrator General Law.
- (b) The asset of a holocaust victim, which is real estate and which on the day of effect is managed by the General Custodian or by a manager, shall be transferred to The Company's management during the transfer period with the profits produced by it and credited to the asset, less losses charged against the asset and less management costs collected under section 12 of the General Custodian Law, such as apply to the asset, on condition that not more than 2% of the total value of the managed asset be paid at the time of its transfer to The Company ; as long as the said management costs have not been paid, they shall constitute a first charge on the said asset.
 - (c) An asset, which the General Custodian or a manager must transfer to The Company under the provisions of this section, shall be transferred together with the documents and accounts in his possession that relate to the asset, and will all other information in his possession, which is likely to help in locating heirs or other holders of rights to the asset.
 - (d) The Company shall assist the General Custodian in the process of transferring the assets to it, as said in this section.

Late transfer

6. if an asset was transferred to the General Custodian or to another manager after the end of the transfer period, and if the General Custodian or the other manager concluded that it is the asset of a holocaust victim, then he shall transfer it to The Company immediately in accordance with the provisions of section 5.

Report and the end of the transfer period

7.
 - (a) Within three months after the date, on which the General Custodian or the other manager transferred an asset to The Company , he shall give The Company a report and deliver to it audited reports, as prescribed under section 15(b) of the General Custodian Law, in respect of the documents and accounts related to the asset, which were in his possession.

- (b) The responsibility of the General Custodian or of another manager in respect a holocaust victim's asset shall lapse at the time of its transfer to The Company , and on the said date the General Custodian or the other manager, as the case may be, shall be deemed to have received a certificate of release under section 15(c) of the General Custodian Law, on condition that he delivered the reports under the provisions of subsection (a); if the reports were delivered late, then the responsibility of the General Custodian or of the manager shall lapse when the reports are submitted.

Effects of transferring assets to The Company

8. Without derogating from the provisions of section 7(b), beginning with the date of the transfer of an asset to The Company, The Company shall take the place of the General Custodian or of the manager, as the case may be, for all intents and purposes connected to the asset and its management, including applications or proceedings to release the asset, and including any proceeding in connection with rights to the asset or in respect of the asset, which is pending before a Court.

Article Two: Transferring Assets Not Managed under the General Custodian Law

Obligation to notify and investigate

- 9.
 - (a) if any person other than the General Custodian or a manager holds or manages the asset of a holocaust victim, or an asset for which he has reasonable grounds to assume that it is the asset of a holocaust victim, and also any public servant who, in the course of his works learns that an asset is the asset of a holocaust victim, shall so inform The Company within thirty days after it published a notice said in subsection (d) or after the day on which he had reasonable grounds to assume that it is a said asset, and he shall give The Company the particulars about that asset that are known to him.
 - (b) If, before or after the day of effect, the General Custodian learns of an asset by a notice under section 5(a) of the General Custodian Law, by a notice under section 2 of the Protection of Deposited Property Law 5725-1964, or in some other manner, and if he has reasonable grounds to assume that the asset is the asset of a holocaust victim, then he shall inform The Company thereof within thirty days after The Company was set up or after the day on which he has reasonable grounds to assume that the asset is a said asset, whichever is later, and he shall give The Company the particulars known to him about the asset.
 - (c) The Company shall investigate and gather evidence in order to locate assets of holocaust victims that have not yet been transferred to it and that are not managed by the General Custodian or by a manager.
 - (d) At the time of its establishment The Company shall publish – in two daily Hebrew language newspapers that are widely distributed in Israel, on its Internet Site and in other places that it deems appropriate – a notice that includes an explanation of the obligation under the provisions of subsection (a), that is incumbent on persons who hold or manage the asset of a holocaust victim or an asset, for which they have reasonable grounds to assume that it is the asset of a holocaust victim.

- (e) In this Chapter, "**holds**" – whether he has direct control of the asset or the asset is under the direct control of a person who holds the asset on his behalf.

Transferring assets to The Company by other persons

10.

- (a)
 - (1) When The Company has received notice of an asset under section 9(a) or (b) and has concluded that it is a holocaust victim's asset, or if – in consequence of an investigation said in section 9(c) – The Company learned of a holocaust victim's asset, then it shall inform the person it knows to be holding or managing the asset that under the provisions of this section he must transfer it to the Company within sixty days, together with any profits accrued on it or together with linkage differentials and interest, as said in paragraph (2), as the case may be; The Company shall state in its notice that after the date for transferring the asset it will pass to The Company's ownership and management under the provisions of section 14.
 - (2) If the holocaust victim's asset is money or securities, then in its notice The Company shall specify the amount of linkage differentials and interest to be added to the asset according to the decision of the Interest Revaluation Committee.
 - (3) If the holocaust victim's asset is a consideration, as said in paragraph (3) of the definition of asset of a holocaust victim, then the provisions that apply to the holder of an asset shall apply to whoever received the consideration.
 - (4) If a person transfers an asset under this section, then he may –
 - (1) transfer the linkage differentials and interest to The Company's ownership in periodic payments that differ from those said in paragraph (1), if he obtained The Company's consent therefore;
 - (2) deduct from the asset expenses charged against the asset in consequence of investments he made in it, on condition that he has accounts, receipts and other evidence in support of the expenditures.
- (b) If a person received notice under subsection (a) from The Company, then he shall transfer the asset to The Company in accordance with the notice, unless within thirty days after he received the notice he gave notice that he does not agree that the asset is a holocaust victim's asset and specified the arguments on which he bases his contention, together with documents in support of his arguments; however, if the holder or manager of the asset did not give aforesaid notice, that shall not prevent him from applying to a Court with the argument that the asset is not a holocaust victim's asset.
- (c) An asset that is real estate shall, under the provisions of this section, be transferred to the Company's management, and an asset that is not real estate shall be transferred to The Company's ownership.
- (d) An asset, which a person must transfer to The Company under the provisions of this section, shall be transferred together with the documents and accounts that relate to the asset and are in that person's possession, as well as all the information he has and that is likely to help in tracing the heirs and other holders of rights to the asset.

Going to Court

11.

(a) If a person informed The Company under the provisions of section 10(b) that he does not agree that an asset is the asset of a holocaust victim, and if The Company examined his arguments and did not find them convincing, then The Company shall apply to the Jerusalem District Court by an opening motion, requesting that it declare that the asset is the asset of a holocaust victim and that it orders the person who holds or manages the asset to transfer it to The Company , as he was required to do by its notice under section 10.

(b)

- (1) If a person disagrees with the manner in which The Company calculated the linkage differentials and interest, which he is required to add to the asset, and if The Company examined his arguments and informed him that it did not find them convincing, then he may contest the said manner of calculation before the Jerusalem District Court by an opening motion; the aforesaid in this paragraph shall not allow for the appeal of a decision by the Interest Revaluation Committee.
- (2) The opening motion shall be submitted within thirty days after the date on which The Company's notice rejecting his arguments was received.
- (3) The Court shall hear an opening motion only after it found that the asset and the part of the linkage differentials and interest that is not in dispute were transferred to the Company .

End of period of responsibility

12. The responsibility of the person who held or managed a holocaust victim's asset that was transferred to The Company shall lapse when possession of the asset is transferred to The Company, together with the profits of the asset, the linkage differentials and interest, the documents, accounts and information, as said in section 10, whichever was latest.

Article Three: General

Profits of an asset

13. The provision, which under this Chapter apply to the transfer of an asset, shall also apply to the transfer of its profits.

Time for transferring assets to The Company

14.

- (a) If an asset is to be transferred to The Company, then the ownership of the asset or the management of the asset, as the case may be, shall transfer to The Company when its possession is handed over, and if an opening motion was brought to the Court under the provisions of section 11(a) – at the time set by the Court.
- (b) If the time for transferring a holocaust victim's asset to The Company – as said in sections 5(a) or (b) or 10(a), as the case may be – passed and possession of the asset was not delivered to The Company , then the ownership or the management of the asset, as the case may be, shall pass to The Company at the time prescribed in the said sections for transferring the

asset, unless a person gave notice under the provisions of section 10(b) that he does not agree that the asset is a holocaust victim's asset, on condition that The Company informed every person it knew to be holding or managing the asset, that he must transfer the said asset to it as said in section 10.

- (c) The General Custodian, a manager or any other person said in section 9(a) does not have the right to transfer any other person a holocaust victim's asset, which he must transfer to The Company according to an order under section 5(a) or a notice from The Company said in section 10(a), as the case may be, and he does not have the right to transfer to another any right in a said asset or to perform any other act that is liable to interfere with the said asset's transfer to The Company, unless it be with permission by the Court or with The Company's consent in advance.

Registering assets in The Company's name

- 15. If the assets transferred to The Company – also under section 14(b) – include an asset, in which rights or any act requires registration in a register kept under an enactment, then The Company shall inform the Registrar thereof, and the Registrar shall enter in it an appropriate remark; when a said remark has been entered, then no right to or act with the asset shall be entered in conflict with the contents of the entry; the aforesaid in this section shall not derogate from The Company's right to register its rights to the asset in any Register kept under an enactment.

Interest Revaluation Committee

- 16.
 - (a) A committee shall be set up, composed of five members appointed by the Minister, in order to set the rates of linkage and interest in respect of holocaust victim's assets that are money or securities, and in order to determine the periods in respect of which the said linkage and interest rates are to be set (in this section: the Committee); notice of the Committee's appointment shall be published in "Reshumot" (The official publications).
 - (b) These are the Committee's members:
 - (1) three academics with expertise in economics or economic history; the provisions of section 9(a) of the Administrative Tribunals Law 5752-1992 (in this Law: Administrative Tribunals Law) shall apply to the appointment of Committee members under this paragraph;
 - (2) an academic with expertise in economics or economic history, appointed on the recommendation of the organizations enumerated in Schedule Two;
 - (3) the Director General of the Ministry of Finance.
 - (c) The Committee shall set the linkage and interest rates in order to reflect the value that the assets would have had, if a reasonable person had acted for their reasonable investment at the relevant times and under the relevant circumstances, but in its determination of the linkage and interest rates it shall also be entitled to take into account the purpose for which the assets are intended.
 - (d)
 - (1) The committee's decisions shall be adopted by a majority vote.

- (2) The quorum at Committee meetings shall be three Committee members.
- (3) The Committee may invite persons who are not Committee members to its deliberations.
- (4) The Committee shall appoint a Committee secretary.
- (5) The Committee shall decide on the procedure of its work and deliberations, to the extent that they are not prescribed in this Law.
- (e) The Committee shall have the powers vested in a Commission of Inquiry under sections 9 to 11 of the Commissions of Inquiry Law 5729-1968.
- (f) The Committee shall conclude its work and submit its conclusions to the Company no later than three months after the Committee was formed

CHAPTER FOUR: TRACING HEIRS AND HOLDERS OF RIGHTS TO ASSETS AND RESTITUTION TO THE HEIRS

Article One: Gathering Information

Investigations in order to trace heirs and holders of rights

17. The Company shall conduct an investigation in order to gather information related to the assets of holocaust victims, which were transferred to it under the provisions of this Law, as well as other information likely to help in the tracing of heirs and other holders of rights to the said assets.

Demand to give information

- 18.
- (a) The Company may require any person to give it information, documents, facts and explanations in his possession, which it needs in order to perform its tasks under this Law.
 - (b) When a person is required to deliver information, documents, facts and explanations said in subsection (a), then he shall deliver them to The Company as soon as possible and no later than thirty days after he received the demand.
 - (c) If a person refused The Company's demand under this section, then The Company may apply to the Appeal Committee that it obligate him to comply with the demand.

Article Two: Special Proceeding to Trace Heirs and Holders of Rights

Publicity

- 19.
- (a)
 - (1) Within three months after the date of its establishment, The Company shall publish the list of assets of holocaust victims, which were transferred to it up to the date of the publication, and it may also publish particulars about assets that have not yet been transferred to it, about which particulars had been communicated to it by the General Custodian, by managers or by other persons who hold or manage them (in this Chapter: first publication)

- (2) The first publication shall include the name of the last known holder of rights to the asset (in this Chapter: the holocaust victim), the name of the state, as it was on September 1, 1939, in which was the place where the holocaust victim resided or the last known place where he stayed, as far as known to The Company , and the type of asset; if The Company does not know the name of the said state, but does know the name of the state where the holocaust victim acquired his rights to the asset, or in which other acts connected to that acquisition were carried out, then The Company shall publish those particulars.
 - (3) The particulars said in paragraph (2) shall be published on The Company's Internet site and among central Jewish organizations around the world, and they shall be on display at The Company's offices for inspection by the public.
- (b) At the time of the first publication, The Company shall publish a notice in two daily Hebrew language newspapers that are widely distributed in Israel and also in newspapers abroad and among central Jewish organizations around the world, explaining the publication said in subsection (a) and its significance, the particulars included in it, the places where it appears and how The Company can be contacted.
 - (c) Six months after the first publication The Company shall also publish – in the manner said in subsection (a)(3) and in respect of each asset that appeared in the list of assets in the first publication – the locality, as it was on September 1, 1939, which was the last known place of residence or stay of the holocaust victim, as far as that is known to The Company , and also the locality's name at present (in this Chapter: second publication); if the Company does not know the name of the said locality, but does know the name of the locality where the holocaust victim acquired his rights to the asset or where other acts connected to that acquisition were carried out, then it shall publish those particulars.
 - (d) Notwithstanding the provisions of subsection (c), the Company may already publish the information in the said subsection in the first publication, if it has in its possession – in addition to the said information – other information that will make it possible to examine the truthfulness of applications that will be submitted to it under the provisions of this Chapter.
 - (e) If additional assets of holocaust victims were transferred to the Company after the first publication and until the conclusion of the special tracing procedure said in section 23, then it shall publish their particulars according to the provisions of subsection (a) at a later date, and the time for the second publication and for the submission of applications under this Chapter shall be reckoned from the date of the later publication.

Applying to receive an asset

20.

- (a) During the period from the date of the first publication until six months after the second publication, every person who claims a right to a holocaust victim's asset (in this Article: applicant) may submit an application to the Company to receive the asset; in the said application the applicant shall specify his right to the asset, whence that right stems and the particulars he knows about the asset and the holocaust victim, and he shall attach all relevant evidence; the facts stated in the application shall be supported by an affidavit.

- (b) Applications submitted before the date of the second publications shall include – as far as possible – also particulars and evidence related to the locality that was the place of residence or of the last known stay of the holocaust victim; stating the said particulars in the application before they are published by the Company shall carry weight when the application is examined.
- (c) Additional applications under this Article shall not be accepted after the end of the period said in subsection (a), but shall not derogate from any person's right to apply to the Company after the said date under the provisions of Article Three to receive an asset.

Examining the applications

21.

- (a) The company shall consider all the applications submitted to it, and it may – if it finds it necessary to do so – require the applicant and any other person to provide clarification and particulars, or to deliver additional evidence in connection to the application; the Company may also choose to summon the applicant and any other person to appear before it, in order to clarify the applicant's right to an asset.
- (b) In order to enforce its authority under subsection (a), the Company may apply to the Appeal Committee and request that it make use of its powers under section 31.
- (c) The mechanisms for examining applications and how they are to be controlled shall be prescribed in the Company's by-laws.

Reaching a decision

22.

- (a) The Company shall decide about rights to an asset and it shall deliver its decision to the applicant within one year after the end of the period for the submission of applications, as said in section 20, or within a longer period that will be set by the Minister, and it shall inform the applicant of his right to contest the decision under section 28.
- (b) In order to consider an application and reach a decision, the Company may exempt an applicant from presenting an inheritance order or probate, in accordance with rules that the Minister will prescribe.
- (c) The Company may – if it deems it proper to do so – make the presentation of a declaration of death a condition for making a decision about rights to an asset; when the Company has made a said decision, it shall inform the applicant of his right to submit a petition to the Appeal Committee for a declaration of death under the provisions of section 30.
- (d) The Company shall not decide on any application submitted to it and it shall not deliver any asset or its value to an applicant before the end of the period for the submission of applications, as said in section 20, unless it found that it is right to do so due to special reasons that shall be recorded.

End of special locating procedure

23. The special locating procedure shall end twelve months after the last date for the submission of applications said in section 20(a), and if the Minister set a longer period under section 22(a) – at the end of the said period.

Precedence of special locating procedure

24. If a claimant of a holocaust victim's asset, which was transferred to the Company, brought Court action in respect of his rights to the asset after the date of the first publication, then the Court shall not hear the action before the end of the special tracing procedure, as said in section 23, unless it found it proper to do so due to special reasons that shall be recorded.

Article Three: Additional Acts to Trace Heirs and Holders of Rights

Publication and Study after the special tracing procedure

- 25.
- (a) After the end of the special locating procedure said in section 23, once a year the Company shall publish on its Internet site and among central Jewish organizations around the world, and present to the public for inspection in its offices the list of assets transferred to it during that year; The Company shall also publish in two daily Hebrew language newspapers that are widely distributed in Israel a notice that the said list of assets was published; the publication shall include the particulars said in section 19(a)(2).
 - (b) Six months after the date of publication said in subsection (a), the Company shall also publish the particulars said in that publication, and in the places where it was published; the Company may already publish the said information when it publishes the list of assets under subsection (a), if in addition to the said information, it has other information that will make it possible to examine the truthfulness of applications that will be submitted to it under the Article.
 - (c) The list of all the assets transferred to the Company, as published in the course of the years under subsections (a) and (b) and under section 19, which have not yet been returned to heirs and to other holders of rights to them, shall be published on the Company's Internet site and presented to the public for inspection in the Company's offices and in other places, to the extent that the Company so decides.

Submitting applications after the special locating procedure and their examination

26. After the date for submitting applications under the provisions of section 20(a) has passed, a person who claims a right to the asset of a holocaust victim that was transferred to the Company may apply to it under the provisions of this Article to receive the asset; the provisions of the concluding passage of section 20(a), of sections 20(b) and (c) shall apply to the application and its examination; the Company shall decide about the rights to the asset and it shall communicate its decision to the applicant within six months after the date of the application's submission.

Article Four: Appeal Committee

Appeal Committee

27.

- (a) A committee shall be set up with three members appointed by the Minister, the responsibility of which will be to hear Appeals against the Company's decisions on applications under this Chapter; these are the members of the Appeal Committee:
 - (1) a retired District Court judge, who will serve as the chairman of the committee;
 - (2) a lawyer who is qualified to serve as Magistrates Court judge;
 - (3) a person possessing knowledge and expertise about the holocaust.
- (b) In addition to the provisions of subsection (a), the Appeal Committee shall be authorized to –
 - (1) issue declarations of death, under the provisions of section 30;
 - (2) oblige a person to deliver information, documents, facts or explanations under the provisions of section 31.
- (c) The provisions of the Administrative Tribunals Law, excluding sections 26, 30, and 31 of that Law, shall apply to the Appeal Committee with the following change: wherever it reads "administrative authority", it should be read "the Company".

Bringing an Appeal

28.

- (a) Every person who deems himself harmed by a decision of the Company under section 22 may contest it before the Appeal Committee within 45 days after it was served on him; the appeal shall be brought according to the provisions of the Administrative Tribunals Law.
- (b) The Appeal Committee may decide not to hear an appeal submitted against a decision of the Company under section 26, if it found that the delay in submitting the application after the period prescribed in Article Two was not justified; the Committee's decision under this subsection shall be final; the provisions of this subsection shall not prevent a contester from applying to the Jerusalem District Court in order to prove his rights to the asset.

Ruling in an appeal

29.

- (a) The Appeal Committee shall make its decision after it has given the contester, the Company's representative and every person who submitted an application in respect of the same asset an opportunity to present and summarize his arguments before the Committee, either orally or in writing, as he shall request.
- (b) The Appeal Committee is authorized to obligate one party to an appeal to bear the costs – including advocate's fees – of the other party, when one of the following applies:
 - (1) there obviously was no justification for the appeal, or there obviously was no justification for rejecting the application;
 - (2) one party to the appeal or his representative conducted the appeal in bad faith or provocatively, or prolonged it unduly;
 - (3) there are other special circumstances that justify obligating one party to bear the other party's costs.

Declaration of death of a holocaust victim

30.

- (a) The Appeal Committee may declare the death of a holocaust victim and for that purpose it shall have all the powers vested in a Family Court under Declarations of Death Law 5738-1978; the provisions under the said Law shall apply, mutatis mutandis, to petitions for declarations of death and their hearings, but the Committee chairman may decide in general that any of the said provisions shall not apply, or that it shall apply with changes.
- (b) When a petition for a declaration of death has been submitted to the Appeal Committee, it may transfer the petition to the Family Court, if it found that it is proper to do so because of the complexity of the petition or because of some other reason.
- (c) When the Appeal Committee has decided on a petition for a declaration of death, which was submitted to it in consequence of a decision by the Company under section 22(c), then it shall transmit a copy of its decision to the Company, so that it will give its decision on the application submitted to it, based on the Appeal Committee's decision.
- (d) A declaration of death made under this section shall be valid for the issue of an inheritance order or probate, which will be used to receive an asset under this Law, or for a decision by the Company as said in section 22(c), and for these purposes alone.

Enforcing a demand for information

31. The Appeal Committee may obligate a person to deliver information, documents, facts or explanations that he was required to deliver to the Company for the performance of its tasks under the provisions of this Law, and it may obligate him to appear before it for that purpose, and for that it shall have the powers vested in a Commission of Inquiry under sections 9 to 11 of the Commissions of Inquiry Law 5729-1968.

Article Five: Restitution to Heirs and to Holder of Rights

Restitution to heirs and to holders of rights

32. If the Company decided on an application submitted to it under the provisions of this Chapter that the holocaust victim's asset should be restituted to the applicant, and if the date for appealing the decision has passed and no appeal was made, or an appeal was made and the Appeal Committee decided that the asset should be restituted as aforesaid, then these provisions shall apply:

- (1) if the asset is in the Company's possession – the Company shall retribute the asset to the applicant together with the profits accrued on it since the day on which it was transferred to the Company, including profits from the investment of monies under the provision of section 40 that were credited to the asset, and in deduction of losses debited against the asset in consequence of said investments and deduction of expenses within their meaning in section 39, which apply to the asset;
- (2) if the Company realized the asset, then it shall retribute to the applicant the consideration for it, as it was on the day of the realization, with the addition of profits said in paragraph (1) in respect of the asset and the consideration for it, in deduction of losses and expenses as said in that paragraph.

Delivering the asset

33.

- (a) The company shall give the asset to the applicant against a writ of undertaking signed by him, according to which – if it is proved that he is not the owner of the rights to the asset or to part thereof, then he undertakes to return the asset or the value of the asset or of part of the asset, as the case may be, at its value as updated to the actual day of payment, if he no longer has the asset, and that within thirty days after a demand to that end from the Company was served to him.
- (b) Together with the asset, the Company shall deliver to its recipient the documents related to the asset that it holds, or copies thereof.

CHAPTER FIVE: USING, MANAGING AND REALIZING ASSETS TRANSFERRED TO THE COMPANY

Using the assets

34.

- (a) The company shall, in good faith, perform its tasks, exercise its powers and make use of the assets transferred to it for the realization of its objectives and of the objectives of the Law.
- (b) The assets that were transferred to the Company and are not protected assets shall be used to realize the Company's objectives, to perform its tasks under the provisions of this Law and to finance the Company's activity and only for those purposes, subject to the provisions of this Chapter.
- (c) Two years after the Company's establishment the Company shall have the right to use assets for purposes of commemoration, on condition that the Company accord priority to the use of assets for purposes of assistance; the amount dedicated to purposes of commemoration, as said in this subsection, shall not exceed 10% of the value of the assets that were transferred to the company in each year.
- (d) Using assets for purposes of assistance and for purposes of commemoration, as said in this section, shall be according to criteria published by the Company under section 77.
- (e) Without derogating from the generality of the aforesaid in this section, no use shall be made of protected assets other than the restitution of assets of holocaust victims or of their value to heirs or other holders of rights to them, according to the provisions of section 32.

Delay of realization

35.

- (a) The Company shall not have the right to sell a holocaust victim's asset that was transferred to it or to perform any other act that will prevent its actual restitution until seven years have passed since it was transferred to it (in this Chapter: the delay of realization period); however, in respect of an asset that was managed by the General Custodian or by a manager before its transfer to the Company the delay of realization period shall end at the conclusion of

the special locating procedure or seven years after it came to be managed by the General Custodian or by a manager, whichever is later.

- (b) In this section and sections 36.37, and 38, "asset" does not include money.

How assets are managed during the delay of realization period

36.

- (a) During the delay of realization period the Company shall preserve an asset that was transferred to it and manage it in the manner it deems most beneficial for the heirs or other holders of an interest.
- (b) After the delay of realization period, assets that were not restituted to the heirs or other holders of interests and the profits thereon – including profits accrued during the delay of realization period – shall be managed by the Company for the realization of its objectives and the performance of its tasks under the provisions of the Law.

Realization of assets

37.

- (a) If an asset was transferred to the Company, the delay of realization period in its respect has lapsed and the Company has no grounds to assume that an application will be submitted to it for its restitution to heirs or to other holders of rights, then the Company may realize the asset and it may use the consideration received from its sale for the realization of its objectives and the performance of its tasks under the provisions of this Law.
- (b)
- (1) The sale of an asset that was transferred to the Company, as said in subsection (a), requires approval in advance by the Company's Directorate, given by a majority of at least six members of the Directorate.
 - (2) Approval by the Directorate shall be given only after the Company's legal advisor approved the sale, after he checked whether all the acts required by this Law for the tracing of heirs or other holders of rights to that asset were carried out and whether the preconditions under this Law and the provisions of any other statute for its sale have been fulfilled; the legal advisor's approval shall be given in writing, together with the reasons therefore.
- (c) When the Directorate is about to approve the sale of an asset that is movable property, it shall, inter alia, consider the subjective of symbolic significance or value the asset may have for the heirs of other holders of rights to the asset, and if it believes that the asset may have aforesaid significance or value, then it shall postpone its realization for as long as is possible.
- (d) When the Company has sold an asset, then it may perform any act required to complete the sale, including registration of the act in any Register kept under an enactment.

Restrictions on the performance of transactions with the Company's assets

38.

- (a) During the delay of realization period and thereafter, the Company shall have the right to rent out or lend an asset or to perform any act with it, the result of which is the transfer to another person of the right to possess and

use the asset, only for a maximum period of one year, which can be extended for additional periods of one year and which shall end no later than one year before the end of the Company's period of activity.

- (b) Subject to the provisions of the closing passage of section 5(b), the separately managed assets, within their meaning in section 56, are not subject to attachment or charge and no right of lien shall apply to them.

Expenses

39. Expenses that the Company incurred for the management of an asset, including obligatory payments that apply to it under any statute and payments to the Company, as said in section 41 (in this section: expenses) shall fall on the asset, but the Company may collect the expenses also from another asset that belongs to the same person, and if circumstances indicate that it will be effective and fair to do so – also from other assets that were transferred to it.

Investments

40. If the assets that were transferred to the Company included monies, or if money was received from the realization of a holocaust victim's other assets and those monies were not transferred to the Company's current budget under the provisions of section 54, then the Company shall invest the money according to instructions that the Minister will prescribe with approval by the Knesset Finance Committee, or by placing it with the General Custodian for investment according to section 10(c) and (d) of the General Custodian Law.

The Company's pay

41. For its activity in connection with an asset the Company shall be paid as follows:
- (1) for an asset that is money invested as said in section 40 – annual pay at the rate of 0.5% of the value of the investment;
 - (2) for an asset that is real estate – 2% of the value of the asset at the time of its restitution or realization; as long as the pay said in this paragraph has not been paid, it shall constitute a first charge on the asset.

CHAPTER SIX: THE COMPANY – MISCELLANEOUS PROVISIONS

Article One: General

Interpretation

42. Every term in this Chapter shall have the meaning that it has under the Government Companies Law, unless a different meaning is implied.

Company shares

- 43.
- (a) All the Company's shares shall at all times be owned only by the State, and they cannot be transferred, charged or attached.
 - (b) As shareholder of the Company the State may bring a derivative action and it may defend itself by a derivative defense under the provisions of Chapter Three in Part Five of the Companies Law.

Appointment of officers – consultation with the Supervisory Nominating Committee

44.

- (a) The following shall be appointed after consultation with the Supervisory Nominating Committee, as defined in the Government Companies Law:
 - (1) members of the Supervisory Nominating Committee, as said in section 45;
 - (2) members of the Directorate, as said in section 51;
 - (3) the chairman of the Directorate, as said in section 51 (f);
 - (4) the general manager, as said in section 52;
 - (5) members of the Audit Committee, as said in section 57.
- (b) If the Supervisory Nominating Committee decided not to recommend a candidate for one of the offices said in subsection (a), to whom the provisions of section 18C(a) of the Government Company Law apply, then the candidate shall not be appointed to the said office.

Article Two: Supervisory Nominating Committee

Supervisory Nominating Committee

45.

- (a) A Supervisory Nominating Committee shall be set up (in this Article: the Committee) and these are its members:
 - (1) a retired judge, appointed by the Minister after consultation with the President of the Supreme Court, and he shall serve as chairman of the Committee.
 - (2) three representatives of the public who are not State employees and are not Company employees or officers, who shall be appointed by the Committee chairman after consultation with the Minister and with the organizations enumerated in Schedule Two; at least two representatives of the public shall have knowledge of the Company's sphere of activity, and at least one representative of the public shall have accounting and financial expertise, within its meaning in section 240 of the Companies Law.
- (b) Committee members shall be appointed for a period of five years, and they may be appointed for additional terms of service.
- (c) When a Committee member's term of service has ended under subsection (b), then he shall continue to serve as long as another member has not been appointed in his place.

The Committee's responsibilities and the obligation of loyalty

46.

- (a) The Committee shall appoint the members of the Directorate, as said in section 51, and it shall perform any other task reserved to it under this Law; in the performance of these tasks its members shall act loyally and – without derogating from the generality of the aforementioned – the provisions of sections 10 and 13 of the Trust Law shall apply to them, mutatis mutandis, in their activity.
- (b) The right to vote at General Meetings of the Company shall be used by the Committee; other rights of shareholders in the company shall be used – mutatis mutandis – by the Committee, the Committee chairman or two committee members.

- (c) The Supervisory Nominating Committee may consult with the Authority on how to vote at a General Meeting, if it deemed that necessary.
- (d) The Committee's tasks and powers under this Law cannot be delegated.

Meetings and procedure of the Committee

47.

- (a) The Committee's chairman shall convene Committee meetings and set its agenda; the aforesaid in this subsection shall not derogate from the power of the Directorate to convene the Committee under the Companies Law when it sits as the General Meeting.
- (b) The Committee shall meet at least four times a year; the Committee chairman shall convene the Committee on demand by at least two Committee members; a Committee member may request of the Committee chairman that he convene the Committee, if he believes that to be necessary.
- (c) The Committee's decisions shall be adopted by majority vote: if the vote is tied, then the Committee chairman shall decide.
- (d) Invitations to Supervisory Nominating Committee meetings and notices of the agenda shall also be given to the Authority.
- (e) The Authority may request the chairman that he place a certain subject on the Committee's agenda.
- (f) If the Authority believes that the Committee does not fulfill its mission, then it may request of the chairman that he convene it.
- (g) In this section, "the Committee" – also when it sits as the General Meeting.

Terminating the service of the Committee chairman

48.

- (a) The Minister may order the service of the Committee chairman to be terminated, when one of the following occurs:
 - (1) he delivered a letter of resignation;
 - (2) he is permanently unable to perform his tasks;
 - (3) an indictment was brought against him or disciplinary proceeding were initiated against him, and because of their nature, severity or circumstances the Minister holds that he is no longer fit to serve;
 - (4) the Committee does not meet and thirty days passed since the Authority's request of the Committee chairman under section 47(f) that he order it to convene;
 - (5) he concludes that the Committee does not perform its task.
- (b) The Authority may request of the Minister to terminate the service of the Committee chairman, if it concluded that there are grounds for doing so.
- (c) If the Directorate concluded that the Committee does not meet and does not perform its tasks, then it may request of the Minister – after it approached the Committee chairman – that he order the Committee chairman's term of service to be terminated.

Terminating the service of a Committee member

49. The committee chairman may order the service of a Committee member to be terminated when one of the following occurs:

- (1) the Committee member gave a letter of resignation the chairman;
- (2) the Committee member is permanently unable to perform his task;

- (3) the Committee member is absent from three Committee meetings and the Committee chairman holds that he does not fulfill his task;
- (4) an indictment was brought against the Committee member or disciplinary proceedings were initiated against him, and because of their nature, severity or circumstances the chairman holds that he is no longer fit to serve.

Remuneration and expenses for Committee members

50. The Committee chairman and members are entitled to remuneration and expenses, which the Company shall pay them according to the number of meetings in which they participated, in accordance with the remuneration and expenses payable to a Directorate chairman and to Directors under regulations made by virtue of section 19 of the Government Companies Law, as the case may be.

Article Three: Directorate, General Manager and Audit Committee

The Directorate and its appointment

51.

- (a) The Supervisory Nominating Committee shall appoint the Company's Directorate, which shall include nine members.
- (b) Two thirds of the Directorate members shall be appointed from a list of recommendations submitted to the Supervisory Nominating Committee by the organizations enumerated in Schedule Two, which shall include at least ten candidates; the other third shall be appointed from a list of recommendations submitted to the Nominating Committee by the Minister, which shall include at least five candidates.
- (c) Officers or members of the management of organizations enumerated in Schedule Two or of any organization represented by a said organization shall not be members of the Company's Directorate.
- (d) Members of the Directorate shall have the training, professional experience and qualifications required of Directors of a Government company under the provisions of the Government Companies Law; at least three members of the Directorate shall possess knowledge in the Company's spheres of activity.
- (e) A member of the Directorate shall cease to serve before the end of the period for which he was appointed, if one of the grounds enumerated in section 22(a)1 to (6) of the Government Companies Law, as made applicable under section 65, applies to him.
- (f) The Directorate shall, with approval by the Supervisory Nominating Committee, appoint the chairman of the Directorate from among its members; if a Directorate chairman was not appointed within sixty days after the Directorate began to function or after the term of service of the previous chairman ended, as the case may be, then the Supervisory Nominating Committee may appoint him.
- (g) If the number of Board of Directors members entitled to participate in its meetings dropped to less than the quorum for its meetings and this situation continues for more than thirty days, or if the number of members dropped to less than the minimum number set in the Company's by-laws and this situation continues for more than sixty days, then the Authority may request

of the Supervisory Nominating Committee that it meet in order to appoint one or several Directors, in the number required to reach a legal quorum.

General Manager

52. The Directorate shall appoint the general manager according to the provision of section 37(a) to (c) of the Government Companies Law.

Tasks of the Directorate and of the general manager

53.

- (a) Members of the Company's Directorate, the Directorate chairman and the general manager shall act loyally for the achievement of the Company's objectives, the performance of its tasks and compliance with the provisions of this Law; without derogating from the aforesaid, the provisions of sections 10 and 13 of the Trust Law shall apply – mutatis mutandis – to the performance of their acts, in addition to the provisions of any statute,
- (b) The Directorate shall report in writing to the Minister, to the Knesset Finance Committee and to the Knesset Constitution, Law and Justice (in this Law: the Constitution Committee) once a year and no later than six months after the end of the fiscal year, about the Company's activities for the realization of its objectives and for the performance of its tasks under section 4, and at the said time it shall submit to them a financial report of the Company's activities in the past fiscal year, including activities for the realization of assets under the provisions of section 37 and investments under the provisions of section 40.

The Company's budget

54.

- (a) The Directorate shall determine the Company's annual budget.
- (b)
 - (1) The Directorate shall determine the Company's annual budget, which shall be allocated for its current activity (in this Chapter: the current budget) with the Supervisory Nominating Committee's approval, on condition that the amount allocated to the current budget from assets of holocaust victims not exceed –
 - (a) in the first year of the Company's activity – 2% of the value of the assets that are expected to be transferred to the Company in that year;
 - (b) beginning with the second year of the Company's activity – 2% of the value of assets in the Company's possession at the end of the preceding budget year.
 - (2) Beginning with the second year of the Company's activity the Directorate shall set the Company's budget while taking into account, inter alia, the experience gained with the Company's expenses and the Company's activity in previous years.
 - (3) There shall be a separate section in the current budget for financing the Company's locating and restitution tasks, as said in section 4(1) to (3).
 - (4) Payments to the Company's creditors – also part of an arrangement or compromise under section 350 of the Companies Law – shall only be paid out of the current budget.

- (c) If the Directorate finds that the current budget, which was approved as said in subsection (b) (1), will not suffice to assure the Company's orderly operation for the realization of its objectives and the performance of its tasks, then it may –
 - (1) apply to a joint committee of the Constitution Committee and the Knesset Finance Committee, headed by the chairman of the Constitution Committee (in this section: the Joint Committee) that it set, by order, a higher rate than the maximum rate set in subsection (b)(1); the Joint Committee shall approve an increase of the rate only after it gave the Government a suitable opportunity to express its opinion;
 - (2) apply to the Supervisory Nominating Committee that it allow the Company to add to its current budget assets that are not assets of holocaust victims, which will be available to it beyond its approved current budget;
 - (3) apply to the Government, through the Minister, that it allocate a budget to the Company out of State budget, beyond the approved current budget.
- (d) If the Minister of Finance concludes that the maximum rate prescribed in subsection (b)(1) is higher than necessary, under the circumstances, for the orderly functioning of the Company and for the realization of its objectives and the performance of its tasks, then he may, by Order with approval by the Joint Committee, set a rate lower than the said rate, on condition that it suffice to assure the orderly functioning of the Company, the realization of its objectives and the performance of its tasks.

Financing the current budget during the first two years

55.

- (a) The sources for the Company's current budget during the first two years of its activity shall be:
 - (1) assets of holocaust victims that were transferred to the Company, in an amount that shall not exceed what is stated in section 54(b)(1);
 - (2) assets that are not assets of holocaust victims and that – with approval by the Supervisory Nomination Committee – were placed at its disposal under section 54(c)(2);
 - (3) a supplementary budget allocated out of the State budget under subsection (b).
- (b) If the amount that constitutes 2% of the value of assets specified in subsection (a)(1) dropped below NS 12 million per year, then a supplementary budget shall be allocated out of the State budget, to supplement the said amount to NS12 million per year (in this section: supplementary budget).
- (c) From the day on which the Company is set up advances shall be transferred to the Company out of the State budget, on account of the supplementary budget and on account of assets of holocaust victims that the General

Custodian must transfer to the Company under the provisions of section 5(a), in the total amount of NS 12 million, to the credit of the Company's current budget for the first year of the Company's activity.

Managing assets

56.

- (a) The assets specified below, at least half of the value of which is money, shall be kept and managed separately for payments to heirs and to other holders of rights to the assets of holocaust victims (in this Law: the protected assets):
 - (1) up to five years after the establishment of the Company – assets with a total value of 20% of the overall value of assets of holocaust victims that were transferred to the Company (in this subsection: value of all assets);
 - (2) from five to ten years after the establishment of the Company – 10% of the value of all assets, on condition that their value not exceed 20% of the value of the assets held by the Company at that time;
 - (3) from ten years after the establishment of the Company until the end of the period of its activity – 5% of the value of all assets, on condition that their value not exceed 20% of the value of the assets held by the Company at that time;
- (b) The balance of the assets of holocaust victims, which were transferred to the Company, are not protected assets and do not constitute part of the current budget, including amounts to be allocated for assistance purposes and for commemoration purposes, shall be managed separately from the current budget and from the protected assets.

Audit Committee

57.

- (a) Notwithstanding the provisions of sections 114, 115, 117 and 118 of the Companies Law, the Supervisory Nominating Committee shall appoint an Audit Committee with no fewer than three members; officers of the Company shall not be members of the Audit Committee.
- (b) The members of the Audit Committee shall have the same qualifications, responsibility, obligations and right to obtain information and to employ advisors, as have the Company's Directors.
- (c) Audit Committee members shall be entitled to remuneration and expenses, which the Company shall pay them according to the number of Audit Committee meetings in which they participated, in accordance with the remuneration and expenses payable to a Director under regulations made by virtue of section 19 of the Government Companies Law.

Tasks of the Audit Committee

58. The Audit Committee's tasks are as follows:

- (1) to examine, in consultation with the Company's auditor, the Company's monetary affairs and its account books, including the use of Company funds for the realization of its objectives, and to bring its conclusion in the light of the said examination before the Directorate and the Supervisory Nominating Committee;
- (2) to identify faults in the Company's management, inter alia, in consultation with the Company's internal auditor or with the Company's auditor, and to

- propose to the Directorate and to the Supervisory Nominating Committee ways to correct them;
- (3) to decide whether to approve acts enumerated in section 254(a) of the Companies Law and transactions under section 270 of the said Law, which under the provisions of the Companies Law require Audit Committee approval, all as made applicable under section 65(d).

Changes in pay and in terms of service

59.

- (a) The Company shall not agree to change pay, terms of retirement or pensions, or other monetary benefits connected to employment, and it shall institute no aforesaid changes or benefits that do not comply with instructions issued under section 32(a)(4) of the Government Companies Law in respect of employees of Government companies with a scope of activity that is similar to that of the Company.
- (b) Notwithstanding the provisions of any statute, every agreement or arrangement is void if it conflicts with the provisions of subsection (a).
- (c) If the Minister of Finance finds that the Company did not comply with the provisions of subsection (a), then he may deduct an amount equal to the amount paid in consequence thereof from any grant or participation, which the Company would have received from the Government if not for the digression, for as long as it makes payments in violation of the provisions of this section; this subsection shall not apply to amounts that are to be transferred to the Company from the State budget or from the General Custodian under the provisions of Article One in Chapter Three.
- (d)
 - (1) For purposes of section 22(a)(6) of the Government Companies Law, as made applicable to the Company under section 65, a Director who knowingly agreed to changes or benefits in conflict with the provisions of subsection (a) shall be deemed a Director who does not perform his task properly
 - (2) For purpose of the provisions of section 42 of the Government Companies Law, as made applicable to the Company under section 65, the consent of the general manager to changes or benefits that conflict with the provisions of subsection (a) shall be deemed sufficient grounds for the Supervisory Nominating Committee to remove him from his position.
- (e) If the Authority finds that an agreement or arrangement appears to conflict with the provisions of subsection (a), then it may –
 - (1) inform the parties to the agreement or arrangement that it decided to examine it, and that there is a suspicion that the agreement or arrangement is void, as said in subsection (b), if it conflicts with the provisions of subsection (a) (in this section: agreement under examination);
 - (2) give the parties to the agreement under examination an opportunity – after the notice said in paragraph (1) and during a period of not more than one month – to present their written arguments and all the written information they deem appropriate.
- (f) If the Authority finds, on the basis of the evidence before it, including the arguments and information presented to it by the parties, that the agreement under

examination prima facie violates the provisions of subsection (a) and that a period for its examination is required, then it may –

- (1) set a period of not more than four months after the end of the period set under subsection (e)(2) for examination of the agreement under examination (in this section: the examination period); under circumstances that justify doing so, the Authority may extend the period said in subsection (e)(2) and the examination period in order to complete the examination;
 - (2) order the permitted amount of monetary benefits connected to employment, within their meaning in this section, under the agreement under examination that the Company may pay during the examination period (in this section: the permitted payment);
 - (3) prescribe, notwithstanding the provision of any statute, arrangements for the deposit of payments that exceed the permitted payment and which obligate the Company under the agreement under examination, and it may also prescribe ways to maintain the value of amounts deposited during the examination period;
 - (4) the provisions of the Wage Protection Law 5718-1958 shall not apply to wage payments in excess of the permitted payment during the examination period.
- (g) The provisions of section 31 of the Contracts (General Part) Law 5733-1973 shall not apply to an agreement or arrangement, for which the Authority found it conflicts with the provisions of subsection (a) and that the provisions of subsection (b) apply to it; in respect of a said agreement or arrangement the Authority may also act in any of the following ways:
- (1) inform the parties to the agreement that the agreement or arrangement is void, as said in subsection (b) (hereafter: the violating agreement), or that part of its provisions is void, and that the Company must immediately stop any monetary benefit connected to employment, which stems from the violating agreement or from void provisions;
 - (2) taking into consideration the general wage policy in the public sector, the degree of the violating agreement's digression from the common practice with employees of Government companies with a scope of activity that is similar to that of the Company, and considerations of justice –
 - (a) advise the Company about the agreement or arrangement that can apply to the parties instead of the violating agreement;
 - (b) inform the Company that it must demand repayment of the monetary benefit granted under the violating agreement or arrangement;
 - (3) order the money deposited under subsection (f)(3) to be transferred to the Company or to the employees, as the case may be and in accordance with its notification.
- (h)
- (1) Once a year, according to the date and manner prescribed in regulations under section 33(a) of the Budgetary Principles Law 5745-1985, the Company shall submit a report to the Authority, including full details of the terms of employment of each of its officers and employees.

- (2) The Company shall report proceedings before a legal instance or before an arbitrator on terms of employment of a said officer or employee within seven days after it learned that said proceedings were initiated.
- (3) If the Authority has grounds to suspect that the Company does not comply with the provisions of this section, then with the Minister's consent, the Authority may demand of the Company that it deliver – in the manner and at the time prescribed in the demand – the information required to keep track of the implementation of the provisions of this section.
- (4) If, under this section, information within its meaning in section 7 of the Protection of Privacy Law 5741-1981 is delivered, then the provisions of the said Law shall apply to it.
- (5) A person must not disclose information delivered under this section, which reached him by virtue of his position, except for the performance of his tasks and in connection with this Law, or under the Order of a Court in connection with criminal proceedings.
- (6) If the Minister of Finance concludes that the Company did not deliver information under the provisions of this subsection, then he may delay the transfer of any grant or participation that the Company would have received from the Government, for as long as it does not deliver the information; this subsection shall not apply to amounts that are to be transferred to the Company from the State budget or from the General Custodian under the provisions of Article One in Chapter Three.
- (7) In this subsection –
 - "officer"** – the chairman of the Directorate, a Director, the general manager, a vice or deputy general manager, the manager of financial affairs, the internal auditor, the legal advisor and every other manager directly subject to the general manager, and every holder of a said position, even if his title is different, and the holder of any position designated by the Minister;
 - "information"** - including every fact, datum or entry, whether on a document or in a photograph, recording or electronic data base, and including agreements, arrangements and collective and individual wage agreements;
 - "terms of employment"** – pay, including terms of retirement, pensions or other monetary benefits connected to employment, and including undertakings to give any of these.
- (i) Every year, the Authority shall submit to the Knesset a report in respect of the Company, which shall be drawn up in a format as identical as possible with the report said in section 33A(c) of the Budgetary Principles Law.
- (j) The provisions of this section shall not apply to the Company, if the provisions of Chapters Four and Five of the Budgetary Principles Law apply to it according to section 66(b).

Article Four: The Company's Liquidation

The Company's period of activity

60.

- (a) The company shall act for the realization of its objectives and the performance of its tasks under the provisions of this Law during a period of fifteen years (in this Law: the Company's period of activity); at the end of the Company's period of activity the Company shall act for its liquidation under the provisions of section 61, unless it was decided to liquidate it at an earlier time.
- (b) At least three months before the end of the Company's period of activity, the Company shall give the Minister and the Authority written notice stating that the period of its activity is about to end.

The Company's liquidation

61. The Company shall be liquidated in one of the following manners:

- (1) liquidation by the Court under the provisions of section 62;
- (2) voluntary liquidation under the provisions of section 63.

Liquidation by the Court

62.

- (a) The Company shall be liquidated by the Court under the provisions of Chapter Twelve of the Companies Ordinance, but a petition for liquidation as aforesaid shall be submitted by the Company only with the Government's approval; notice shall be given to the Attorney General about the submission of a petition for the Company's liquidation and about the submission of any other petition in the course of the liquidation procedure.
- (b) In addition to the grounds for liquidation prescribed in section 257 of the Companies Ordinance, the following may petition for the liquidation of the Company, as said in subsection (a), as specified below:
 - (1) the Attorney General or the Company - on the grounds that the Company's period of activity has ended; the Company shall not have to adopt a special resolution for this purpose, as said in section 257(1) of the Companies Ordinance and the Government's approval said in subsection (a) will not be required;
 - (2) the Attorney General – if he concludes that the Company's activity proceeds in violation of the Law, of its objectives or of its by-laws, on condition that the Company was given written warning to correct whatever is wrong and did not do so within a reasonable time after the warning was received;
 - (3)) the Government – if a Government decision was adopted that the Company's objectives have been realized or that the realization of the assets transferred to the Company – such as are not protected assets – has been completed for the realization of its objectives and the performance of its tasks under the provisions of this Law, and that it has no pending applications for restitution of holocaust victims' assets, on which the Company's decision is required.
 - (4) the Government – if a Government decision was adopted that realization of the Company's objectives is not possible.

- (c) If a petition to liquidate the Company under subsections (a), (b)(2) or (b)(4) is submitted to the Court, then the Court shall order liquidation only after it concluded that, under the circumstances, it is not possible to cause the Company to function properly or to realize its objectives.

Voluntary liquidation

63.

- (a) The Company may, with the Government's approval, liquidate itself voluntarily in one of the following instances:
 - (1) the realization of all assets that were transferred to the Company for the realization of its objectives and the performance of its tasks under this Law – such as are not protected assets – has been completed;
 - (2) the Company's period of activity has ended, on condition that – before it adopted a decision to liquidate – the Government received an affidavit made by all or most of the Directors at their meeting, according to which they carefully checked the status of the Company's affairs and concluded that it is able to pay its debts in full within twelve months after its liquidation begins, and if the case is one of liquidation under paragraph (1) – also that all assets of holocaust victims were realized as aforesaid.
- (b) In addition to the provisions of section 262 and 341 of the Companies Ordinance, if the company liquidated voluntarily, then the Court may, at any stage and at the request of the Attorney General order that liquidation be by the Court, if it concluded that there is a public interest in the Court's supervision of the proceedings of the Company's liquidation.

Assets in the liquidation

64.

- (a) The protected assets and the balance of assets that do not constitute part of the Company's current budget shall not be part of the Company's assets available for distribution upon liquidation.
- (b)
 - (1) All or part of the protected assets, in an amount or value that the Court decides is sufficient under the circumstances, shall – upon liquidation – be transferred to management by the General Custodian during a five year period, for restitution to heirs or other holders of rights; at the end of the five years the balance of the assets will be transferred – according to the Court's decision – to the body said in subsection (c).
 - (2) At the request of the Attorney General the Court may prescribe that the assets be transferred to the General Custodian for a period longer than five years, if it believes that that is justified under the circumstances.
- (c)
 - (1) The assets said in subsection (a), which remained after deduction of the sum set by the Court under subsection (b), shall – at the time of the Company's liquidation – be transferred under the Court's Order to one or several other bodies, which act for purposes of aid and commemoration.

- (2) The Court may transfer the assets said in this section also to another body, the objectives of which are connected to purposes of aid or purposes of commemoration, if it concluded that that is justified, inter alia, in view of the sources of income available to bodies that act for purposes of aid and for purposes of commemoration.
- (d) The Court shall order an extension of the period said in subsection (b)(2) or the transfer of assets to a body said in subsection (c) only after it gave the concerned factors and the organizations enumerated in Schedule Two an opportunity to present their case.

Article Five: Miscellaneous

Applicability of sections of the Government Companies Law and provisions to the applicability of the Companies Law

65.

- (a) Provisions of sections of the Government Companies Law shall apply to the Company, as specified in Schedule Three.
- (b) If the Government Companies Law is amended after the day of effect, then the Minister may, by Order upon a decision by the Government and with the approval by the Constitution Committee, change Schedule Three in order to make a said amendment applicable, mutatis mutandis, to the Company.
- (c) The Minister shall be the Minister responsible for the Company, within the meaning thereof in section 6(3) of the Government Companies Law.
- (d) The provisions of sections 255 and 268 to 275 of the Companies Law shall apply to the Company, as if it were a public company' the aforesaid shall not derogate from the applicability of sections 10 and 13 of the Trust Law, as said in section 53.

Applicability of Laws

66.

- (a) The provisions of the Laws specified below shall apply to the Company, its officers and employees, as the case may be, as if it were a Government company:
 - (1) Equal Rights for Women Law 5711-1951;
 - (2) Youth Labor Law 5713-1953;
 - (3) State Comptroller Law 5718-1958 [Consolidated Version];
 - (4) State Service Law (Restriction on Party-Political Activity and Fund-Raising) 5719-1959;
 - (5) Penal Law 5737-1977;
 - (6) Public Service (Gifts) Law 5740-1979; however, if provisions of the said Law were made applicable to officers of the Company by an Order under section 4(b) of the said Law – then in section 2 of that Law, wherever it says "to the ownership of the State", read "to the ownership of the company", and instead of "to the State Treasury", read "to the company";
 - (7) Mandatory Tenders Law 5752-1992, except for section 3A of the said Law and regulations made by virtue thereof;

- (8) Restriction of Advertising (Public Bodies) Law 5756-1996;
 - (9) Protection of Employees (Exposure of Offenses, of Unethical Conduct and of Improper Administration) Law 5757-1997;
 - (10) Equal Rights of Persons with Disabilities Law 5758-1998;
 - (11) Freedom of Information Law 5758-1998;
 - (12) Use of the Hebrew Date Law 5758-1998.
- (b) The provisions of Chapters Four and Five of the Budgetary Principles Law shall apply to the Company, as if it were a body corporate, in respect of a fiscal year in which the Government participates in the Company's budget.

Auxiliary Powers

67.

- (a) The company may petition a Court that it summon and interrogate a person on matters that belong to the sphere of its activity.
- (b) If a person admitted in an interrogation under subsection (a) that he holds the asset of a holocaust victim, then the Court may order him to deliver the asset to the Company at a time and on conditions that the Court shall set.
- (c) The protocol of an interrogation under section 9(c) and under subsections (a) and (b) shall be admissible proof of its contents in any legal proceeding to which the Company is party.

CHAPTER EIGHT: MISCELLANEOUS PROVISIONS

Special provisions on the inheritance of a holocaust victim's asset

68. Notwithstanding the provision of any statute, for purposes of the right to inherit the asset of a holocaust victim in order to receive it under this Law, that inheritance statute shall apply to the holocaust victim's estate, which would have applied to him if he had been an Israeli subject, within its meaning in the Inheritance Ordinance.

Restriction on liability

69. The Company or any person who acted on its behalf shall bear no liability for any damage they caused, if they acted in good faith, in accordance with an Appeal Committee decision or a Court decision.

Validity of acts

70. An act performed in good faith between the Company and another person, on the assumption that a certain asset is a holocaust victim's asset, shall remain in effect also if it is later discovered that the asset was not a holocaust victim's asset.

Company to be treated like the State

71. For purposes of sections 3,4,8 and 9 of the Civil Wrongs (Liability of the State) Law 5712-1952, the Company shall be treated like the State.

Confidentiality

72.

- (a) The obligation to transmit to the Company information about assets of holocaust victims under the provisions of this Law shall apply notwithstanding the provisions of any other statute on the maintenance of confidentiality and the protection of privacy, except for the provisions on privileged evidence in Chapter Three of the Evidence Ordinance [New Version] 5731-1971.
- (b) Company employees and all persons who act on its behalf must not disclose any information or document that came into their possession, except for the implementation of provisions of this Law or under a Court Order.

Penalties

73.

- (a) If a person held or managed the asset of a holocaust victim and did not inform the Company thereof within thirty days after the Company published a notice said in section 9(d), or after the day on which he learned that the asset is the asset of a holocaust victim, whichever was later, then he shall be liable to one year imprisonment or double the fine said in section 61(a)(4) of the Penal Law 5737-1977 (in this section: Penal Law); the provisions of this subsection shall not apply to a person who gave notice of the asset to the General Custodian under the provisions of section 5(a) of the General Custodian Law, before the Company's notice said in section 9(d) was published.
- (b) If a Company employee or any person on its behalf disclosed information or a document in violation of the provisions of section 72(b), then he shall be liable to one year imprisonment or to the fine said in section 61(a)(2) of the Penal Law.

Exemption from tax and other payments

74.

- (a) The transfer of assets to holocaust victims to the Company and the restitution of assets to heirs or other holders of rights to them under the provisions of this Law shall be exempt of every fee, tax, levy or other mandatory payment, which is under any statute is payable in respect of a said transfer or restitution.
- (b) The provision of any enactment, which prohibits registration of an asset in a Register kept under a statute, as long as it hasn't been proven that the taxes, rates, levies and other mandatory payments due to the State or to a local authority have been paid in respect of that asset, shall not apply to a registration in consequence of a transfer of assets to the Company or to their restitution, as said in subsection (a).
- (c) The Company shall not have to pay any fee, make any deposit or provide any pledge or collateral in any legal procedure to which it is a party.

Aid and support funds

75.

- (a) Aid and support extended for purposes of assistance or purposes of commemoration shall not be deemed income for purposes of the Income Tax Ordinance, or of mandatory payments or other levies under any statute.
- (b) Assistance to a holocaust survivor under section 4(4) shall not be deemed income for purposes of pensions under the National Insurance Law [Consolidated Version] 5755-1995, and for purposes of the Assurance of Income Law 5741-1980, and it is not subject to any transfer, guaranty or attachment in any manner whatsoever, except for the payment of family support under the judgment of a Court or competent Tribunal.

Limitation on Advocates' fees

76.

- (a) The Minister may, after consultation with the National Council of the Chamber of Advocates, prescribe by Order maximum rates for the fees that may be received for handling the submission of an application to the Company or of an appeal before the Appeal Committee under this Law.
- (b) Notwithstanding the provisions of any agreement, no person shall be required to pay advocates' fees for a matter said in subsection (a) in an amount that exceeds the rates set under this section; if a person paid advocates' fees in excess of the rates set under this section, then he may sue for refund of the excess amount.

Instructions published by the Company

77.

- (a) The Company shall publish instructions on the following matters, which were not prescribed in or under this Law, on its Internet site:
 - (1) ways of submitting applications for the restitution of assets;
 - (2) the management of holocaust victims' assets by the Company;
 - (3) the realization of holocaust victims' assets by the Company;
 - (4) the restitution of holocaust victims' assets or of their value to persons entitled to them, as said in section 4(3);
 - (5) the utilization of holocaust victims' assets that were transferred to the Company for purposes of assistance or purposes of commemoration.
 - (6) Ways of submitting applications for aid or support for purposes of assistance or purposes of commemoration, as the case may be.
- (b) When the Company has published instructions under subsection (a), then notice thereof shall be given to the Minister, together with a copy of the instructions.
- (c) If the Company did not publish instructions, as said in subsection (a), on a certain matter or if it transmitted for review by the Minister instructions that if published on a certain matter, then the Minister may request of the Supervisory nominating Committee that it cause the Company to publish the instructions, or to correct instructions that the Company published, as the case may be, if he believes it necessary in order to enable the Company to realize its objectives and to perform its tasks under the Law in an efficient and correct manner.
- (d)
 - (1) Instructions under subsection (a) shall be published at the times specified below:

- (a) under paragraphs (1) and (2) – within three months after the Company's establishment;
 - (b) under paragraph (3) – within one year after the Company's establishment.
 - (c) under paragraphs (4) to (6) – within six months after the Company's establishment.
- (2) Instructions under paragraphs (1) and (4) to (6) of subsection (a) shall also be published in Reshumot.

Precedence of the Law

78. The Company's by-laws cannot derogate from the provisions of this Law.

Implementation and regulations

79.

- (a) The Minister is charged with the implementation of this Law.
- (b) The Minister may –
 - (1) after consultation with the Supervisory nominating Committee, make regulations on any matter connected to the implementation of this Law, also on access to documents related to assets that were transferred to the Company;
 - (2) make regulations on law procedure for bringing Appeal before the Appeal Committee;
 - (3) after consultation with the Supervisory nominating committee and with approval by the Constitution Committee, extend by Order any time set in this Law for the performance of any act whatsoever, except for the end of the Company's period of activity under section 60;
 - (4) with approval by the Knesset Finance Committee, set the proportion of holocaust victims' asset transferred to the Company which the Company shall use during the year for performance of its tasks said in section 4(4), if at least seven years have passed since the Company's establishment and if he is satisfied that – taking into consideration the time left for its activity – the Company does not act with the appropriate speed for the performance of its tasks said in section 4(4), on condition that he demanded of the Company to increase the proportion of assets used as aforesaid and that it did not do so within a reasonable time after it received the demand, and he may set a different proportion for one or several specific years;
 - (5) make instructions on the matter of an absent heir in proceedings for the issue of an inheritance order or probate for the receipt of a holocaust victim's asset under this Law.

Amendment of the Real Estate Taxation (Appreciation, Sale and Acquisition) Law – No.57

80. In the Real Estate Taxation (Appreciation, Sale and Acquisition) Law 5723-1963, in section 3. replace "(hereafter: vesting laws)" with "or the Company, as defined in the Assets of Holocaust Victims Law (Restitution to Heirs and Dedication to Aid and Commemoration) 5766-2006, or a body designated under section 64(c) of that Law, under that Law".

Amendment of the National Insurance Law – No. 84

81. In the National Insurance Law [Consolidated Version] 5755-1995, in section 350(a), insert after paragraph (7):

"(8) assistance provided to a holocaust survivor under the opening passage of section 4(4) of the Assets of Holocaust Victims Law (Restitution to Heirs and Dedication to Aid and Commemoration) 5766-2006;"

Changing Schedule Two

82. The Minister may, by Order, add to Schedule Two a non-profit organization that represents holocaust survivors or has objectives or activities that accord with some or all of the Company's objectives and tasks, as said in section 4(1) to (4), or he may remove from it an organization, inter alia, because of these considerations:

- (1) the organization's objectives
- (2) the type and extent of the population that the organization represents
- (3) the length of the organization's period of activity.

Transitional provision

83. Until the day on which the first regulations under section 40 go into effect, the Company may invest money said in that section also in accordance with the provisions of the Trusteeship Regulations (Ways of Investing Funds of a Public Trust) 5764-2004.

First appointments and the Company's registration

84.

- (a) The Minister shall appoint the chairman of the Supervisory Nominating Committee within thirty days after the day of effect.
- (b) The chairman of the Supervisory Nominating Committee shall appoint the members of the Committee within fourteen days after his appointment.
- (c) The Supervisory Nominating Committee shall appoint the first Director of the company within thirty days after the Supervisory Nominating Committee members were appointed.
- (d) The Company shall be registered within seven days after the appointment of the first Director.

Effect

85. This Law shall go into effect on the day of its publication.