



Law Requiring Disclosure by NGOs Supported by Foreign Governmental Entities (Amended) – 2016

The following is a summary of what the new amendment includes:

1. The new Section 5a(a) states that an organization whose primary support comes from foreign governmental entities must note that fact in its quarterly reports also on the online version of the report
2. Amended Section 4 states that the registrar of charities will add this information to the information he publishes on his website
3. Amended Section 5(a) states that the organization must add this information on its website, along with publication of the information it already must publish concerning donations from foreign governmental entities
4. New Section 5a(b) includes all the new disclosure requirements. The required deadline for disclosure: Each year, starting from the deadline for reporting on the last fiscal year and through the deadline for reporting on the subsequent fiscal year
5. The publications/occasions in which an organization must declare that the majority of its support derives from foreign governmental entities are as follows:
 - 1) New Section 5a(b)(1) – publications that advance the organization's goals, publications meant for and available to the public, signs and billboards outdoors, publications on television, publications in newspapers, on the homepage of its website or of its online campaign; in this Section "campaign" refers to publications on one specific issue carried out in a continuous manner or in a substantial scope; "billboards" – as defined in provision 214(a)(b) of the penal code
 - 2) New Section 5a(b)(2) – letters to public officials or elected officials, including via e-mail, on matters pertaining to their positions; "elected official" is defined as a minister, a deputy minister or a Member of Knesset; "public official" as defined in the public service law
 - 3) New Section 5a(b)(3) – reports the organization issues and distributes to the public
6. New Section 5a(c) states that in a report, the organization must also declare that "the names of the foreign governmental entities that gave the donations are listed in the website of the registrar of charities"
7. New Section 5a(d) states that a representative of an organization that is primarily funded by foreign governmental entities and who actively



participates in a Knesset committee meeting or hearing, will inform the committee chair of the fact that he or she is a representative of such an organization prior to the meeting or hearing, and if unable to do so prior to the meeting or hearing – during the meeting or hearing; If the representative is asked by a Member of Knesset during the meeting whether he or she is a representative of such an organization, he or she shall respond to the question.

Additionally the NGO Law and the Corporations Law were amended to include the relevant crimes and respective penalties.

In the NGO Law:

8. Section 64(a) was amended to remove the personal responsibility of a member of a non-governmental organization, its employee, or a member of its supervisory body who failed to make the disclosure required by the law, a crime that previously carried a prison sentence of three years
9. Section 64a(a), which lists requirements whose violation by NGOs carries a fine (according to provision 61(a)(2) of the penal code) currently set at 30,000 NIS, was amended. Subsection (8), which already refers to violating the requirement of submitting a quarterly report in accordance with the ‘law requiring disclosure...’, now also includes the obligation to declare that the majority of funding derives from foreign entities. A new Subsection (9) was added, that refers to violations of the disclosure requirements (as listed in Sections 5a(a)-(c). Section 64a(a) imposes liability on the NGO and on any person responsible for the violation

In the Corporations Law:

10. Section 354(b1)(1)(e) – that states that the registrar of charities has the authority to impose monetary penalties (currently up to 30,000 NIS) on a corporation that does not fulfill its duty to disclose in accordance with the “law requiring disclosure...” – was amended so as to add the disclosure and declaration requirements imposed by the new law.

Inception and Application – the law will take effect on January 1, 2017, on donations received from that date onwards.