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## **The New Israeli NGO Transparency Bill: Essential Background and Translation**

August 17, 2010

- On September 8, 2010, the European Parliament will debate the oral question on the “Draft Bill on Israeli NGOs.” **That draft bill has changed substantially since the oral question was submitted to the European Commission in April.**
- As stated in the text, “this law carefully balances the right of organizations in a democracy to operate freely, and the right of the Israeli public to know who funds the organizations' activities.”
- On August 16, 2010 the new version was adopted by the Knesset’s Constitution, Law and Justice Committee, making all previous texts irrelevant.
- **The bill maintains the principle that foreign government funding for Israeli NGOs should be fully transparent, and reflects Israeli concerns regarding the secrecy of EU processes for funding Israeli political advocacy NGOs.** NGOs will be required to report government funding on a quarterly, rather than an annual basis, thereby insuring that information is available to the Israeli public while it is still relevant. If a foreign government sponsors a specific NGO advertising campaign, the funding source must be made public.
- **The proposed amendments of the previous draft text which were used to justify intense opposition have been dropped.** NGO tax-exempt status will not be affected, the draft does not single out organizations engaged in ‘political activity’, and non-compliance would result only in a fine. NGO representatives will not be required to note foreign government funding orally or in written materials, except when money is given for a specific advertising campaign.
- The EU and member states channel tens of millions of euros annually to a narrow group of highly-politicized Israeli NGOs, through non-transparent processes. The degree to which European states use NGO funding to influence Israeli political and public debates has no parallel in relations among democracies. Therefore greater transparency regarding foreign government funding is central to the Israeli democratic process and the public’s right to know.

**Eighteenth Knesset**

**Bill on Disclosure Requirements For [Groups] Supported by a Foreign  
 Government Body- 2010**

Unofficial Translation <sup>1</sup>

Definitions	1.	In this law-
		“Amutot Law”- Non-Profits Registration Law (Law of Associations-ed)- 1980;
		“Foreign Government Body”- as defined in article 36a(a) of the Amutot Law- 1980;
		“Recipient of Support”, “Recipient of support from a foreign government body”- An association or corporation for the public benefit that receives financial support from a foreign government body.
		“Financial support from a foreign government body” – support that has been transferred, directly or indirectly, by a foreign government body; or by a foreign corporation as defined in the Corporation Law- 1999, the majority of whose funding in the last fiscal year for which it had to submit a financial report was from the entities specified in paragraphs (1) (2) (3) of 36a(a) of the Amutot Law.
		“The Registrar”- The Registrar of Associations or the Registrar of Trusts, as applicable.

<sup>1</sup> Questions regarding translation may be directed to NGO Monitor.

Quarterly Reporting Requirements	2.	A recipient of support that received support from a foreign government body, will submit to the Registrar of Associations or to the Registrar of Trusts, as applicable, a report within a week of the end of the quarter in which the donation was received (hereinafter- a quarterly report); the quarterly report will be submitted as an online form which the Minister of Justice will formulate.
Content of Report	3.	In the quarterly report will be specified:
		(1) Identity of the supporter;
		(2) Amount of money;
		(3) Purpose of support or its intended end;
		(4) Commitments made to the foreign government body by the recipient of support, whether orally or in writing, directly or indirectly, if such exist.
Preservation of Existing Laws	4.	Submission of quarterly report does not detract from reporting requirements applicable to the recipient of support by virtue of any other law.
Publication by the Registrar	5.	The Registrar will publish on the Ministry of Justice website the list of recipients of support that have submitted the quarterly report. The information specified in article 3 will be published on the Ministry of Justice website and in any other manner which the Registrar will deem fit.
Publication by the Recipient of Support	6.	(A) If the recipient of support or one working on his behalf has a website, he will publish in a prominent fashion the information specified in article 3. (B) If a recipient of support received financial support from a foreign government body for the purpose of funding a specific advertising campaign, the recipient of support will publish, within the framework of this advertising, the receipt of such

		support.
Requirement to Verify Sources of Funding	7.	An association or corporation for the public benefit, as applicable, will do all within its power to determine whether the financial support it received is from a foreign government body.
Regulations	8.	The Minister of Justice is authorized to institute regulations for the implementation of this law.
Amendments to the Law of Amutot	9.	In article 64a of the Amutot Law- 1980, after subarticle(7), will come the words:
		“(8) Submission of quarterly reports as mentioned in article 2 of the Law on Disclosure Requirements For [Groups] Supported by a Foreign Government Body- 2010.”
Amendments to the Law of Corporations	10.	In clause 354 of the Law of Corporations-1999, in article (b1)(5), after the words “as mentioned in paragraphs (1)(a), (2)(a) or (3)” will come: “or for a violation as specified in article 2 of the Law on Disclosure Requirements For [Groups] Supported by a Foreign Government Body- 2010.”

### Explanation

The purpose of this law is to enhance transparency and to fill lacunas in the legislation regarding funding by foreign government bodies for the activities of associations and corporations for the public benefit [non-profit organizations] in Israel.

The proposed law will require the immediate reporting of received support, which will make possible a higher level of transparency regarding the support received and the way in which it is used.

This law carefully balances the right of organizations in a democracy to operate freely, and the right of the Israeli public to know who funds the organizations' activities.