



STATE OF ISRAEL

Ministry of Justice

**Information Regarding Certain Preventive Measures Under
Chapter II of the United Nations Convention against Corruption
(Reference: CU 2011/45(A))**

**Awareness-Raising Policies and Practices
with special reference to articles 5, 7, 12 and 13 of the Convention
and
The Public Sector and Prevention of Corruption:
Codes of Conduct and Public Reporting**

November 2011

Part (A) - Awareness-Raising Policies and Practices

(1) Awareness-Raising Policies and Practices with special reference to article 5 (Preventive Anti-Corruption Policies and Practices)

1. Each State Party shall, in accordance with the fundamental principles of its legal system, develop and implement or maintain effective, coordinated anti-corruption policies that promote the participation of society and reflect the principles of the rule of law, proper management of public affairs and public property, integrity, transparency and accountability.
2. Each State Party shall endeavour to establish and promote effective practices aimed at the prevention of corruption.
3. Each State Party shall endeavour to periodically evaluate relevant legal instruments and administrative measures with a view to determining their adequacy to prevent and fight corruption.
4. States Parties shall, as appropriate and in accordance with the fundamental principles of their legal system, collaborate with each other and with relevant international and regional organizations in promoting and developing the measures referred to in this article. That collaboration may include participation in international programmes and projects aimed at the prevention of corruption

Raising awareness to the existing and developing anti-corruption policies and practices is crucial to the fight against corruption as much as the policies and practices themselves. The State of Israel has taken, *inter alia*, the following measures for raising awareness with reference to the provisions of Article 5 UNCAC:

Knesset (Parliament) Deliberations: As a general matter and according to custom, Knesset deliberations, both in the plenum and in the separate committees, are open to public viewing, subject to certain limitations. The television "Knesset Channel" provides live ongoing coverage of deliberations, and in many cases representatives of a wide variety of public organizations, as well as private citizens, are invited to attend the deliberations in the various Knesset committees.

The Civil Service Regulations: This collection of regulations and orders applicable to the Civil Service (referred to herein as the "Takshir") includes, *inter alia*, prohibitions on gaining personal benefit from public positions and on operating in

conflicts of interest. The Takshir is published on the Civil Service Commission's website. The **Civil Service Law (Discipline), 1963** grants the Civil Service Commissioner the authority to penalize public officials for any violation of the Takshir, and the **Encouragement of Public Morality in Public Service Law, 1992**, provides the framework for encouraging public officials to report acts of corruption in the public administration. **Both these statutes are publicly available.**

The State Comptroller Website: The State Comptroller's role is to ensure that the executive branch of the State acts in accordance with the principles of economy, efficiency, effectiveness and moral integrity. The State Comptroller's Website focuses on the State Comptroller's review of the activities of the executive branch. This reviewing function is defined in the **Basic Law: The State Comptroller** and is further described in Part B of this document. The website includes a Complaint Form section, containing an explanation of the complaint process and how a complaint can be filed. The State Comptroller's Reports are published annually through the media and online.

Anti-Corruption Website: A website dedicated to the combat against corruption is currently available in both Hebrew and English through the homepage of the Ministry of Justice. The anti-corruption website, which is updated on a regular basis, provides relevant information about corruption fighting methods and transparency measures, and includes reference to the United Nations Convention against Corruption. Efforts are being made to incorporate hyperlinks to this website in the websites of a wide variety of public and private organizations. The address of the anti-corruption website is www.corruption.justice.gov.il.

Anti-Corruption and Anti-Bribery Brochure: The Ministry of Justice has widely distributed, within the public and private sectors, an informational brochure concerning Israel's domestic and international efforts to combat corruption. The brochure, which refers, *inter alia*, to the United Nations Convention against Corruption, is intended to be a useful tool for the dissemination of information about anti-corruption efforts. The brochure also includes avenues for reporting suspicions of corruption-related offences and obtaining more information regarding the prevention of corruption. The brochure is available in Hebrew and English.

Media Campaign: The Ministry of Justice, on several occasions over the last few years, has issued press releases to major Israeli newspapers and news websites regarding the overall aims of Israel's international efforts in relation to the struggle against corruption.

Tax Authority Circular: The Israel Tax Authority issued, in January 2011, a Circular entitled "The Prohibition of Bribery of Foreign Public Officials", reflecting the amendment of **Article 32 of the Income Tax Ordinance**, which established the non-deductibility of payments made "in violation of any law" (and which was enacted on 16 November 2009). The Circular was published on the Israel Tax Authority's website, and was distributed to all tax inspectors.

(2) Awareness-Raising Policies and Practices with special reference to article 7 (Public Sector)

1. Each State Party shall, where appropriate and in accordance with the fundamental principles of its legal system, endeavour to adopt, maintain and strengthen systems for the recruitment, hiring, retention, promotion and retirement of civil servants and, where appropriate, other non-elected public officials:
 - (a) That are based on principles of efficiency, transparency and objective criteria such as merit, equity and aptitude;
 - (b) That include adequate procedures for the selection and training of individuals for public positions considered especially vulnerable to corruption and the rotation, where appropriate, of such individuals to other positions;
 - (c) That promote adequate remuneration and equitable pay scales, taking into account the level of economic development of the State Party;
 - (d) That promote education and training programmes to enable them to meet the requirements for the correct, honourable and proper performance of public functions and that provide them with specialized and appropriate training to enhance their awareness of the risks of corruption inherent in the performance of their functions. Such programmes may make reference to codes or standards of conduct in applicable areas.

The recruitment, classification and selection of candidates for employment in the Civil Service in Israel is conducted by way of public calls for applications (referred to in Israel as "public tenders"), published in the main daily newspapers, on the relevant Ministry's website as well as on the Civil Service Commission's website.

Additionally, educational sessions and professional training for civil servants concerning the tender process are regularly conducted. The regulatory framework is embodied in the **Civil Service Law (Appointments), 1959**. Details regarding the professional training programs are available on the Civil Service Commission's website.

2. Each State Party shall also consider adopting appropriate legislative and administrative measures, consistent with the objectives of this Convention and in accordance with the fundamental principles of its domestic law, to prescribe criteria concerning candidature for and election to public office.

3. Each State Party shall also consider taking appropriate legislative and administrative measures, consistent with the objectives of this Convention and in accordance with the fundamental principles of its domestic law, to enhance transparency in the funding of candidatures for elected public office and, where applicable, the funding of political parties.

General Elections

The Political Parties Law, 1992 provides comprehensive administrative arrangements for registration of political parties in Israel. Additionally, the **Political Parties Funding Law, 1973** provides a comprehensive regulatory framework for monetary and campaign contributions awarded to political parties and political candidates. **The General Elections Committee's** website provides the relevant information regarding the election process, based on these provisions.

4. Each State Party shall, in accordance with the fundamental principles of its domestic law, endeavour to adopt, maintain and strengthen systems that promote transparency and prevent conflicts of interest.

Conflicts of Interest – Civil Service

As stated above, the "Takshir" includes, *inter alia*, prohibitions on gaining personal benefit from public positions and operating in conflicts of interest. The "Takshir" is published on the Civil Service Commission's website. The **Civil Service Law (Discipline), 1963** provides the Civil Service Commissioner with jurisdiction to penalize public officials for any violation of the "Takshir". The **Encouragement of Public Morality in Public Service Law, 1992**, provides the framework for encouraging public officials to report acts of corruption in public administration.

All such legislation is publicly available.

Attorney General Directive no. 1.1555 (2006) includes guidelines for the prevention of conflicts of interest when recruiting employees to the civil service. This Directive stipulates detailed disclosure requirements as well as legal guidelines for drafting specifically tailored ad-hoc requirements for the appointment of civil servants that may face various situations of conflicts of interest. Such particular requirements could be, for instance, a requirement for the civil servant to divest himself/herself from his/her holdings in a particular corporation (such as by way of transferring the shares to blind trusts), or a reassignment of certain fields of responsibility from one civil servant's position to another.

Additionally, **Attorney General Directive no. 3.1005** (2005) stipulates which of the ad-hoc particularized requirements must be made known to the public.

All of the Attorney General Directives are available to the public online.

Conflicts of Interest – Government Members and Elected Public Officials

Regarding Ministers and Deputy Ministers, the Israeli government promulgated **Rules for the Prevention of Conflicts of Interest by Ministers and Deputy Ministers, 2003**. The application of these rules is reviewed by the State Comptroller, who is authorized to look into the declarations made by Ministers and Deputy Ministers under the rules, and to notify the Knesset (a relevant committee) if the rules have been breached. This in turn leads to awareness amongst such officials to the rules obligating their conduct in this regard.

Proper Management of Public Affairs: As part of the effort against exploitation of political power to advance personal or business interests through conflicts of interest, extraneous considerations, bias or discrimination, the Attorney General published Directive 1.1708, entitled “**Restrictions on Handling Requests of Members of an Electing Body by Elected Public Officials**” (2004).

This directive, as well as all other Attorney General Directives, is available online.

Conflicts of Interest – Municipal Government

The Director General of the Ministry of Interior issues several circulars a year. These circulars regulate many areas of conduct relevant to the provisions of the Convention. They are mandatory for the local municipalities, and are issued by the Director General by virtue of the powers delegated to him or her by the Minister of Interior.

An example of a relevant circular is the circular of May 2011, which establishes disclosure duties for officers (employees) of local authorities, along the lines of directive no. 1.1555 of the Attorney General. Another example is the circular of January 2009 imposing personal liability on employees and elected officials of local municipalities whose actions have resulted in an illegal expenditure for the municipality.

The **Planning and Building Law, 1965**, prohibits employees and members of planning committees (elected municipal officials or municipal employees), of all levels, from participating in deliberations and voting in case of a personal interest. They also have a duty to disclose to the chairperson of the committee any personal interest they may have in relation to the matter at hand.

All circulars are regularly published and available through official publications and online.

(3) Awareness-Raising Policies and Practices with special reference to article 12 (Private Sector)

1. Each State Party shall take measures, in accordance with the fundamental principles of its domestic law, to prevent corruption involving the private sector, enhance accounting and auditing standards in the private sector and, where appropriate, provide effective, proportionate and dissuasive civil, administrative or criminal penalties for failure to comply with such measures.

2. Measures to achieve these ends may include, inter alia:

(a) Promoting cooperation between law enforcement agencies and relevant private entities;

(b) Promoting the development of standards and procedures designed to safeguard the integrity of relevant private entities, including codes of conduct for the correct, honorable and proper performance of the activities of business and all relevant professions and the prevention of conflicts of interest, and for the promotion of the use of good commercial practices among businesses and in the contractual relations of businesses with the State;

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| <p>(c) Promoting transparency among private entities, including, where appropriate, measures regarding the identity of legal and natural persons involved in the establishment and management of corporate entities;</p> <p>(d) Preventing the misuse of procedures regulating private entities, including procedures regarding subsidies and licenses granted by public authorities for commercial activities;</p> |
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The State of Israel has enacted a wide range of legislation aimed at preventing corruption involving the private sector, as well as in relation to the other provisions in article 12(1) of UNCAC. This legislation includes, *inter alia*, the **Penal Law, 1977**, the **Securities Law, 1968**, the **Income Tax Ordinance (New Version), 1961** the **Companies Law, 1999** and the **Business Licensing Law, 1968**.

These laws and amendments thereto are published in official records, which are publicly accessible.

Private associations and partnerships are respectively regulated by the **Associations Law, 1980** and the **Partnership Ordinance (New Version), 1975**, and they are overseen by the **Associations Registrar and the Partnerships Registrar**, as applicable.

Private corporations in Israel are regulated by the **Companies Law, 1999** and are subject to the authority of the **Companies Registrar** and the **Israel Corporations Authority**. Relevant provisions in the **Companies Law** explicitly address proper standards of corporate governance as well as required procedures in conflicted transactions. Private corporations are therefore required to submit to the Companies Registrar information and annual reports concerning, among other subjects, their stockholders and directors. In certain circumstances, they are also required to submit their annual balance sheet.

The information reported is made available to the public, including online at the Israel Corporations Authority's website.

Transparency in the financial markets is further promoted in the securities market through the reporting requirements of **Section 36** of the **Securities Law, 1968** and regulations made there-under, such as the **Securities Regulations (Periodic and Immediate Reports), 1970** and the **Securities Regulations (Editorship of Annual Financial Reporting), 1973**. Disclosure requirements and procedural standards have

been further enhanced through amendments introduced to this regulatory framework as well as through many recently enacted corporate and financial reporting regulations. Enhanced disclosure is now required on matters such as transactions involving conflicts of interest (particularly controlling shareholders transactions), managerial terms of employment and compensation, and corporate exposure to fluctuations in value and prices of raw materials or foreign currency.

2.

(e) Preventing conflicts of interest by imposing restrictions, as appropriate and for a reasonable period of time, on the professional activities of former public officials or on the employment of public officials by the private sector after their resignation or retirement, where such activities or employment relate directly to the functions held or supervised by those public officials during their tenure;

(f) Ensuring that private enterprises, taking into account their structure and size, have sufficient internal auditing controls to assist in preventing and detecting acts of corruption and that the accounts and required financial statements of such private enterprises are subject to appropriate auditing and certification procedures.

The Civil Service Law (Post Employment Restrictions), 1969, imposes certain limitations on former public officials aimed at preventing potential conflicts of interest. Section 8 of this law provides that infringement of the law constitutes a criminal offense punishable by a fine or up to six months of incarceration. The limitations are imposed on former public officials of different ranks and responsibilities in the public service. The **Cooling Off Period for Members of the Security Forces Law, 2007** was enacted so as to modify the relevant cooling-off period imposed on former members of the armed forces, particularly in regards to candidates for political office or nominations.

All laws and relevant case law are regularly published and available through official publications.

3. In order to prevent corruption, each State Party shall take such measures as may be necessary, in accordance with its domestic laws and regulations regarding the maintenance of books and records, financial statement disclosures and accounting and auditing standards, to prohibit the following acts carried out for the purpose of committing any of the offences established in accordance with this Convention:

- (a) The establishment of off-the-books accounts;
- (b) The making of off-the-books or inadequately identified transactions;
- (c) The recording of non-existent expenditure;
- (d) The entry of liabilities with incorrect identification of their objects;
- (e) The use of false documents; and
- (f) The intentional destruction of bookkeeping documents earlier than foreseen by the law.

The Income Tax Authority has published a Collection of Interpretations of the Income Tax Ordinance (the "Habak"), which is an important tool in carrying out tax assessments. The Habak informs the public of the Income Tax Authority's policy regarding the interpretation of the Ordinance.

Circulars issued by the Authority are regularly published on the Authority's website.

4. Each State Party shall disallow the tax deductibility of expenses that constitute bribes, the latter being one of the constituent elements of the offences established in accordance with articles 15 and 16 of this Convention and, where appropriate, other expenses incurred in furtherance of corrupt conduct.

In November 2009, an explicit prohibition on the deductibility of bribes was introduced into the **Income Tax Ordinance, 1961**. This legislative amendment reflected the view previously expressed by the Israeli Supreme Court, according to which disallowing the tax deductibility of bribes serves not only as a strong counter-incentive to corrupt activities but also as a politically visible sign of the common international commitment to combat bribery.

A Circular entitled "The prohibition of bribery of Foreign Public Officials", issued by the Israel Tax Authority in 2011, reflects this Amendment to the **Income Tax Ordinance**. **The circular was published on the Israel Tax Authority website, and distributed to all tax inspectors.**

**(4) Awareness-Raising Policies and Practices with special reference to article 13
(Promoting the Participation of Society)**

1. Each State Party shall take appropriate measures, within its means and in accordance with fundamental principles of its domestic law, to promote the active participation of individuals and groups outside the public sector, such as civil society, non-governmental organizations and community-based organizations, in the prevention of and the fight against corruption and to raise public awareness regarding the existence, causes and gravity of and the threat posed by corruption. This participation should be strengthened by such measures as:

- (a) Enhancing the transparency of and promoting the contribution of the public to decision-making processes;

Enactment of laws: according to regular procedure, before any bill is drafted or proposed, a Bill Proposal (a "Memorandum") is distributed to a wide variety of non-governmental actors, including NGOs and legal academics. The Memoranda are also made public via a government website. This provides members of the public, including any interested organizations, with the opportunity to comment on the proposed Bill. Proposed legislative amendments relating to corruption offences measures aimed at preventing corruption are also distributed in this manner.

Comments on the Memorandum can be sent to the Ministry of Justice within 21 days of its distribution. These comments may lead to further discussions on the proposed legislation. Through consolidation of the comments and revision of the text, the Memorandum is revised into a proposed "Draft Bill", which is then submitted for the approval of the Ministerial Committee for Legislation, in order for it to be considered by the Knesset (the Israeli Parliament).

The Draft Bill is then submitted to the Knesset for a first, second and third reading at the appropriate Knesset committee (which usually conducts discussions that are open to the public). Pending the completion of the process, the Bill is formally adopted and the newly enacted statute is published in the Official Gazette.

Government Resolutions: Government resolutions, including in matters relating to anti-corruption measures, are generally published online. Prior to government

meetings the agenda for the meetings, as well as the draft text for the resolutions, is also published online, subject to certain restrictions.

(a) Ensuring that the public has effective access to information;

The **Freedom of Information Law, 1998** facilitates public access to government documents (subject to certain limitations). The law enhances public power and ability to review and control the management of public affairs. Additionally, administrative and local annual working plans are regularly published online by local and state authorities, enabling greater transparency and control on both the local and national government authorities.

In addition to the public websites, a growing number of government and local authorities make use of online social media such as YouTube, Facebook and Twitter, to communicate with the public.

"**Shituf**" - a website set up to facilitate public participation in decision making, forms part of the Israel E-Government project, aimed at strengthening connections between the citizens and the Government, by improving both the level of accessibility of public authorities and the transparency of their actions. The gov.il website consolidates online services and information provided by various Israeli Government bodies.

Computer networks and cyberspace technology are additionally utilized by the Israel Government Portal to enable increased participation by the general public in a wide variety of issues of public concern. Citizens may use the portal to directly address any administrative authority and to have their queries answered accordingly.

In accordance with a government resolution of April 2005 and with an Accountant General directive, all government ministries must include the gov.il portal logo and URL, www.gov.il, in any official publication (documents, envelopes, payment vouchers, etc.).

(c) Undertaking public information activities that contribute to non-tolerance of corruption, as well as public education programmes, including school and university curricula;

Israeli authorities engage in providing public information on the need to curb corruption on a regular basis. The following are some representative examples:

The International Law Forum in the Hebrew University holds weekly seminars to discuss developments in international law and their legal implications for Israel. In April 2009, a specific seminar was dedicated to the offence of foreign bribery. The seminar included presentations by senior officials from the Ministry of Justice, followed by a lively debate. The importance of conducting the forum was invaluable especially with regards to awareness-raising efforts, as attendees included government officials, law professors, academics, students and members of the general public.

Senior officials from the Ministry of Justice have lectured in **Law School classes** on international legal instruments aimed at fighting bribery and corruption.

The Institute of Legal Training for Attorneys and Legal Advisers, which is the main provider of continuing legal education courses in Israel, frequently arranges professional training on non-tolerance of corruption.

Ministry of Justice officials regularly participate and occasionally make presentations at the quarterly meetings of the **Anti-Bribery Business Forum**, which was established by the Manufacturers Association Israel (MAI) in July 2010. The purpose of the Forum is to facilitate awareness to measures of prevention of bribery in the business sector. The Forum serves the manufacturing industry as a central source of valuable knowledge as well as business assistance to the private sector on such issues as Israeli legislation in this field. The Forum seeks to assist companies in Israel to lawfully comply with the anti-bribery statutory regime. Forum meetings are regularly attended by MAI officials and NGOs, and are chaired by the legal counsel of one of Israel's leading corporations. In some cases, government officials are also invited to attend forum meetings.

The Israel **Ministry of Defence** (MOD) initiated an awareness-raising campaign related to anti-bribery measures, aimed at defence exporters. This included, *inter alia*, the following:

- The annual Defense Export Controls Directorate (DECD) Conference, which took place in March 2010, and which was attended by the majority of registered defense exporters. The conference featured a presentation by MOJ officials on the foreign bribery offence and the OECD Anti-Bribery Convention.
- The DECD also sent newsletters to registered defense exporters which included information regarding the offence of foreign bribery and the OECD Anti-Bribery Convention.
- A seminar focusing on anti-bribery corporate compliance programs was held by the MOD in November 2010. The seminar was attended by over 200 representatives of leading defense exporters and Israeli law firms. In addition, representatives of relevant government ministries attended this seminar. One of the main objectives of the seminar was to provide defense exporters with practical tools in order to formulate and implement appropriate anti-corruption compliance programs. Fundamental principles of such compliance programs, as established by the MOD, were presented in the seminar. The keynote speaker was the Director General of the MOD. Additional presentations were given by the MOJ, MOD, a representative of an Israeli defense industry and a group of lawyers from a leading global law firm which shared its extensive experience in the field of compliance with regards to anti-corruption standards.
- The MOD's Legal Adviser participated in a conference, organized by a prominent Israeli law firm, dedicated to compliance with anti-bribery obligations, in October 2010 and made a presentation on the offence of foreign bribery.

- (d) Respecting, promoting and protecting the freedom to seek, receive, publish and disseminate information concerning corruption. That freedom may be subject to certain restrictions, but these shall only be such as are provided for by law and are necessary:
- (i) For respect of the rights or reputations of others;
 - (ii) For the protection of national security or order public or of public health or morals.

The Israel Freedom of Information Act, 1998, establishes the right of the public to seek and receive information from government authorities, including on matters related to corruption. The Act is made public online on various government web sites, including details on the procedures for filing a request for information pursuant to its provisions.

2. Each State Party shall take appropriate measures to ensure that the relevant anti-corruption bodies referred to in this Convention are known to the public and shall provide access to such bodies, where appropriate, for the reporting, including anonymously, of any incidents that may be considered to constitute an offence established in accordance with this Convention.

As a general matter, the public can report crimes to the Israel Police (hereinafter: IP) through the general IP emergency phone number for reporting suspicions of crimes; by filing complaints in person at the various police stations around the country; by sending a written complaint to the Investigative and Intelligence Department; or through the IP's general website. The information received is then referred to the relevant investigative unit. This includes, *inter alia*, reports on suspicions of corruption.

The Israel Police website describes in greater detail the above-noted means of reporting.

In addition, any person can file corruption related complaints online via the governmental portal; the State Comptroller's website or the Civil Service Commission website.

Part (B) - The Public Sector and prevention of corruption

(1) Codes of conduct for public officials (article 8)

1. In order to fight corruption, each State Party shall promote, *inter alia*, integrity, honesty and responsibility among its public officials, in accordance with the fundamental principles of its legal system
2. In particular, each State Party shall endeavour to apply, within its own institutional and legal systems, codes or standards of conduct for the correct, honourable and proper performance of public functions.

3. For the purposes of implementing the provisions of this article, each State Party shall, where appropriate and in accordance with the fundamental principles of its legal system, take note of the relevant initiatives of regional, interregional and multilateral organizations, such as the International Code of Conduct for Public Officials contained in the annex to General Assembly resolution 51/59 of 12 December 1996.
4. Each State Party shall also consider, in accordance with the fundamental principles of its domestic law, establishing measures and systems to facilitate the reporting by public officials of acts of corruption to appropriate authorities, when such acts come to their notice in the performance of their functions.
5. Each State Party shall endeavour, where appropriate and in accordance with the fundamental principles of its domestic law, to establish measures and systems requiring public officials to make declarations to appropriate authorities regarding, inter alia, their outside activities, employment, investments, assets and substantial gifts or benefits from which a conflict of interest may result with respect to their functions as public officials.
6. Each State Party shall consider taking, in accordance with the fundamental principles of its domestic law, disciplinary or other measures against public officials who violate the codes or standards established in accordance with this article.

Codes of Conduct – Civil Service

Reporting by public officials of acts of corruption to appropriate authorities - In October 2009, the Director of Discipline of the Civil Service Commission issued a Circular setting out the requirements for the reporting of corruption offences by public officials. The Circular provides instructions to employees of the civil service who, in the course of carrying out their functions, have either been personally offered a bribe or have obtained information of a bribe offered or accepted by a peer employee which has not been reported. Additionally, the Circular includes instructions for civil servants who have obtained information of a bribe offered by a peer civil servant to foreign public officials. Under the Circular, civil servants are obligated to promptly report any such information to their supervisors or to law enforcement authorities.

According to the circular, a civil servant is a public trustee and as such has special responsibility to carry out his or her duties with fairness, honesty, and integrity. The duty of civil servants to report information regarding suspicions of corruption is an integral part of a civil servant's duty of loyalty. This notion is further expressed in **Article 4.02 of the Code of Ethics** and **Article 17 of the Civil Service Law**

(Discipline), 1963. Accordingly, the Discipline Department of the Civil Service Commission will consider taking disciplinary measures, including disciplinary hearings, against a civil servant failing to report as required any such substantial information concerning the payment of a bribe to either the relevant superior within the civil service or the law enforcement authorities. Civil servants in such actions would be charged of engaging in conduct unbecoming a civil servant or dishonest conduct.

The Circular also addresses the issue of protecting persons who expose acts of corruption. Under the Circular, any civil servant reporting suspicions of bribery is afforded protection as set forth in the **Civil Service Regulations**, in addition to the protections granted under the **Protection of Employees (Exposure of Offences of Unethical Conduct and Improper Administration) Law, 1997**. Finally, the circular refers to the Ministry of Justice's anti-corruption website.

Conflicts of interest, gifts and assets - The **Civil Service Regulations** (the "Takshir", as noted previously) includes, *inter alia*, prohibitions on gaining personal benefit from public positions and operating in conflicts of interest. The "Takshir" is published on the Civil Service Commission's website. Additionally, Circular notes addressed to governmental units are published online and distributed regularly via group emails to government officials.

Additional relevant legislation includes the **Encouragement of Public Morality in Public Service Law, 1992**, the provisions of which are aimed at encouraging the reporting of acts of corruption within the public administration, and the **Public Service Law (Gifts), 1979**, which prohibits certain public officials from accepting gifts presented to them in their capacity as public servants. The law and regulations mandate the reporting of such gifts, and set the standards for the lawful acceptance of proposed gifts by public servants.

Conflicts of Interest – Government Members

As mentioned above, regarding Ministers and Deputy Ministers, the Israeli government promulgated **Rules for the Prevention of Conflicts of Interests by Ministers and Deputy Ministers, 2003**. The application of these rules is reviewed by

the State Comptroller, who is authorized to look into the declarations by Ministers and Deputy Ministers, and to notify the Knesset if the rules have been breached.

Conflicts of Interest – Directors Appointed by the State

Regarding directors of government-owned companies, the criteria for their appointment are set forth in the **of Government Companies Law, 1975**. Included in these criteria are provisions designed to prevent conflicts of interest.

Conflicts of Interest – Municipal Government

Conflict of interests in municipal government are regulated mainly via three instruments: the **Municipalities Ordinance (New Version) 1968**, the **Local Councils Order, 1951** and the **Regional Council Order, 1958**. All three instruments prohibit employees and elected officials from operating in conflicts of interest. A breach of these prohibitions constitutes a penal offence.

These legal instruments also include another important penal offense, applicable only to elected officials: it is generally prohibited for a council member to engage in business dealings with the municipal authority to which he or she was elected.

Another important example (applicable only to municipalities that are cities) is the prohibition to recruit employees who are relatives of the mayor and his or her deputies, except when the recruitment of a specific employee was approved by a special committee convened by the Ministry of Interior, the members of which are independent of the municipality.

Codes of Conduct – Municipal Authorities

The Union of Municipal Authorities published in 2002 a Code of Ethics for elected officials in local government. The code establishes the guiding principles pertaining to this sector, including the duties to act in the public interest, to avoid conflicts of interest and refrain from bias, to honor and respect the employees and the public, to refrain from accepting gifts or gratuities that are not offered to the public at large, and to respect the rule of law.

A new and detailed **Code of Ethics for Mayors and Heads of Other Local Authorities** was approved last year by the Union of Municipal Authorities and by the Union of Municipal Regional Authorities. This detailed Code, consisting of more than one hundred sections, deals with many subjects relevant to UNCAC, among them honorable conduct, prevention of conflicts of interest and many more.

In the future, this Code is intended to be implemented as a part of a general scheme to facilitate the work of an Independent Committee on Ethics that will be established by law and that will be authorized to impose civil sanctions (in addition to the preexisting penal sanctions). It should be noted that this project is still in its planning stages and currently being examined by a working group composed of representatives from the Union of Municipal Authorities, the Ministry of Justice and the Ministry of Interior.

Advisory Committee - The Advisory Committee for the Prevention of Conflicts of Interest of Elected Officials in Local Government was set up jointly by the Union of Municipal Authorities, the Attorney General and the Ministry of Interior in 1984. The committee was established as a means of assisting these officials, many of whom are not acquainted with the particulars of the law concerning conflicts of interest, with questions regarding conflicts of interest.

Any member of a municipal council may ask the committee for advice concerning his or her rights and duties as member of a local council, in regards to personal interests (or other duties that could raise a conflict of interest). The Committee expanded its role to include taking questions from the public at large regarding municipal council members, and responding to those questions, after asking for the council member's response.

The chairman of this committee is a Deputy of the Attorney General. The other members are a mayor, a legal advisor of a municipal authority, a comptroller of a local authority, and a legal counsel from the Ministry of Interior. The committee convenes several times a year, discusses questions and issues published legal opinions. The opinions of this committee are not legally binding, but are sent to the relevant officers in municipal and central government, including officers with relevant powers so that they may decide if they wish to exercise their powers, after reading the Committee's opinion.

The rules according to which the Committee was established are available to the public on the website of the Ministry of Justice. These rules include a summarized codification of the principles of conflicts of interest, as applicable to elected officials in local government. The site also includes many of the Committee's general opinions, together with provisions of relevant laws, regulations, orders and case law. To date, the Committee has rendered approximately one thousand opinions.

Declarations of private interests

Several senior public officers are required to submit declarations concerning their private interests, including properties, financial income, debts and other interests. Ministers and Deputy Ministers are required to make such declarations to the State Comptroller with respect to themselves and their family, pursuant to **The Rules for the Prevention of Conflicts of Interests by Ministers and Deputy Ministers, 2003**. Heads of municipal authorities and their deputies are also required to submit such declarations, pursuant to the **Heads of Municipal Authorities and their Deputies Law (Financial Statement), 1993**. Similarly, certain senior public officers are required to do so pursuant to the **Civil Service Regulations (Appointments) (Declaration of Property), 1959**.

(2) Public Reporting (Article 10)

Taking into account the need to combat corruption, each State Party shall, in accordance with the fundamental principles of its domestic law, take such measures as may be necessary to enhance transparency in its public administration, including with regard to its organization, functioning and decision-making processes, where appropriate. Such measures may include, inter alia:

- (a) Adopting procedures or regulations allowing members of the general public to obtain, where appropriate, information on the organization, functioning and decision-making processes of its public administration and, with due regard for the protection of privacy and personal data, on decisions and legal acts that concern members of the public;
- (b) Simplifying administrative procedures, where appropriate, in order to facilitate public access to the competent decision-making authorities; and
- (c) Publishing information, which may include periodic reports on the risks of corruption in its public administration.

As elaborated above, Israel has a wide variety of measures aimed at enhancing transparency and public access to information pertaining to administrative procedures and decision making.

In addition to these measures and to the **Freedom of Information Law, 1998**, which allows public access to government documents, as noted earlier, many Government Authorities have accessible accounts on social networks, such as Facebook, Twitter, and YouTube, and which enable the public to comment, follow and participate in various social, economic and political discussions.

The State Comptroller: The power of the Knesset (Israeli Parliament) to supervise and review government policies and operations is also exercised through the State Comptroller. The State Comptroller is elected by the Knesset, is completely independent of the government (or any other executive authority).

The State Comptroller determines which subjects or bodies to audit, and may also receive specific audit requests from the Knesset, the Knesset's **Committee for State Reviewing**, or the Government. The Government can instruct the State Comptroller to investigate a matter, but can not prevent him from conducting investigations of his own initiative. Additionally, the authority to conduct reviews of the executive branch is vested in the State Comptroller through both the **Basic Law: State Comptroller, 1988** and the **State Comptroller Law, 1958**. This includes the authority to audit every ministry, local municipality and any institution, foundation or any corporation either funded or managed (whether directly or indirectly) by the Government. The main issues that the State Comptroller examines are legality and good governance, proper spending of budget, efficiency, effectiveness and public morality. The findings of the audit are brought to the attention of the audited bodies for their response and in order to induce improvement in management. The reports are then submitted to the Knesset and are generally published (subject to certain restrictions) online on the website of the State Comptroller Office.

As noted above, in relation to awareness raising measures, Government Resolutions, including in matters relating to anti-corruption measures, are generally published

online. Prior to government meetings the agenda for the meetings, as well as the draft text for the resolutions, is also published online, subject to certain restrictions.