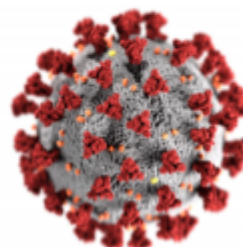




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COVID-19 Updates



COVID-19 - Updates

20/04/2020

During these complex times, Meitar | Law Offices continues to provide services to its clients in Israel and around the world.

As part of our firm's continuing commitment to provide outstanding service, each of our departments established a team of representatives to gather and analyze the recent legal implications arising from the spread of the Coronavirus. The team members whose details appear below will be glad to be at your service.

For your convenience, please find attached an update on the series of measures taken by the government authorities in the last few days together with a number of legal issues that have arisen due to this latest development.

For our previous update please click [here](#).

Emergency Regulations

On April 19 2020, several amendments were put into force by the Israeli Government, with the purpose to ease the Emergency Coronavirus Regulations regarding workplaces.

The basic rule is that **10 employees or 30% of the workforce, whichever higher, may be at a workplace at the same time**. This limitation is compared to the previous 15% limitation.

The amendment also allows for businesses who comply with the "Purple Standard" to exceed the 30% limitation.

There is no regulating body who officially provides a "Purple Standard" status and there is no formal approval. A Purple Standard is self-provided by a compliant workplace.

We recommend that you contact us with any questions regarding the applicability of the Purple Standard rules for your business.

Click [here](#) for the summary of the emergency regulations regarding workplaces .

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Immigration Law

Effective March 18th, the Israeli government has decided on a stricter entry policy in order to halt the spread of the Coronavirus in the country. All foreign nationals who are neither citizens nor residents of Israel, are barred from entry into Israel, even if they can prove their ability to self-isolate. The exception are foreign nationals whose "center of life" is in Israel, to whom the Ministry of Foreign Affairs and the Immigration Authority may grant approval to enter the country, subject to submission of a formal application and approval thereof prior to the flight to Israel. In addition, on March 29th the Israeli government published new initial temporary guidelines specifying the conditions to get approval for entry into Israel of foreign experts who are needed for repairs of essential machinery (medical or non-medical) in critical facilities. In relevant and limited cases, on an ad hoc basis, the government may approve entrance of a limited number of foreign employees who are required specifically for critical repairs, despite the abovementioned restrictions. In such cases, it is required to obtain prior approvals and work permit and to undertake to follow strict guidelines to ensure the health of the foreign national and the public. Our Relocation and Immigration team is available to advise with respect to the said guidelines as well as in any matters related to Immigration Law.

In addition, the Immigration Authority has announced that B/1 (work) visas in several sectors, including Foreign Experts, which expire[d] between March 10th to May 10th 2020, will be automatically extended for a period of two months. For the sake of clarity please note that the work permits of the employers will also be extended accordingly, employers who holds an employment permits in the field of Foreign Experts, whose permit's expires between March 10th to May 10th 2020, the permits will be extended automatically for two months.

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Antitrust

On April 5, 2020, the Israeli Competition Authority has published an announcement, according to which it is monitoring closely the food and toiletries sectors during the COVID-19 pandemic, given the sensitivity and importance of these industries to consumers during this particular period. In recent years, the food and toiletries industries are under the scrutiny of the ICA and it has been engaged in the promotion of competition in these sectors. The ICA has conducted a number of comprehensive investigations and has taken a line of enforcement action against food vendors, pharma product providers, food chains and pharm chains. According to the ICA, due to the unusual circumstances there is a great public dependence on the food and toiletries sectors for the regular supply of these products. Therefore, these industries receive special attention from the ICA. The ICA closely monitors the behavior of the

parties operating in these industries to ensure that they do not take advantage of consumer dependency in order to harm competition and the public.

For the ICA announcement (in Hebrew) click [here](#).

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Courts and Legal Procedure

Due to the application of the Court Regulations and the Execution Offices (Special Emergency Procedures), all regular court hearings from March 15, 2020 to May 10, 2020, which are not in one of the urgent matters set out in the Notice of the Court of Justice Director, will be postponed. The president of the court has the authority to instruct from reasons to be recorded, that a particular procedure that is not in accordance with the matters set out in the notice will not be discussed, or that a particular procedure which is not listed will be discussed.

In addition, all deadlines set in the enactment or court decision to submit pleadings to the court will be postponed accordingly (except to pleadings that the court has set a specific time for submission).

Moreover, the Minister of Justice has regulated that judicial documents can be submitted during this emergency period by email and The Ethics Committee has allowed signature verification on an affidavit by a lawyer in visual conferences under various conditions.

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Tax

While taxpayers eagerly expect new tax measures to be introduced in order to address the COVID-19 crisis, as of now, the Israeli government and the Israeli Tax Authority ("ITA") have not yet announced any significant changes to **substantive** tax law provisions due to the COVID-19 pandemic. The changes introduced so far have been mainly procedural reliefs including extensions to certain (but not all) statutory timeframes, short-term deferral of certain monthly payments and approval to rely on electronic documents in certain cases.

In the sole exception addressing the implications of the crisis on substantive tax law matters (regarding the calculation of tax on employees' company cars during the crisis), the ITA has demonstrated a very strict and conservative approach. It is too soon to judge whether this approach will represent the ITA's general approach towards the taxpayers' needs arising from the COVID-19 crisis.

Having said that, the turmoil and the market downturn may introduce an opportunity for certain taxpayers in two main aspects:

- First, the low prices may provide an opportunity for taxpayers who want to make taxable asset transfers such as transfers between related parties, transfers for estate planning, exercise of options under section 3(i) of the Income Tax Ordinance, etc. It is recommended for taxpayers to consider whether the low market prices introduce planning opportunities.
- Second, the increasing collection needs of the ITA may induce the ITA to settle now tax disputes in which their position is more questionable or likely to be disputed for many years, in an attempt to increase immediate collection. While it is too soon to anticipate the ITA's policy in light of the increasing collection needs, taxpayers in a dispute with the ITA should assess their situation in light of this issue as well.

While on the domestic level, not much guidance on substantial tax law was provided, the OECD published the OECD Analysis of Tax Treaties and the Impact of the COVID-19 Crisis. For elaboration see [here](#).

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Capital Markets and Securities Law

On April 1, the Israel Securities Authority ("ISA") announced that in light of the implications of the virus outbreak, reporting corporations would be allowed to submit their quarterly report for the first quarter of 2020 not later than June 30, 2020 (instead of May 31, 2020), provided that an announcement to that effect is given by the reporting corporation.

For the announcement click [here](#).

On April 1, the ISA announced that an ISA shelf prospectus permit that is expiring or is expected to expire during the period from March 10, 2020 to May 10, 2020 ("**the Defined Period**") will be extended by an additional two months period. Thus, the effective period of a shelf prospectus which otherwise expires during the Defined Period, is extended by two additional months.

For the announcement click [here](#).

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Israel Innovation Authority

The Israeli Innovation Authority (IIA) is the support arm of the Israeli government charged with fostering the development of industrial R&D within the State of Israel,

inter alia by providing grants to assist the advancement of Israel's knowledge-based science and technology industries, in order to encourage innovation and entrepreneurship while stimulating economic growth. In mid-March 2020, the IIA issued three requests for proposals offering specific grants intended to address the Coronavirus challenges with an extraordinary budget of NIS 50 million. As of the beginning of April 2020, over 400 applications have been submitted under these special Calls. The IIA announced that these applications will be examined expeditiously in view of the priority awarded to such applications.

Additional information in Hebrew of future submissions dates is available [here](#).

The IIA has also issued additional Calls for Proposals which are not focused on Coronavirus, such as the cooperation in the Horizon 2020 consortium and grants related to innovative projects in the field of the Israeli Capital Market. Additional information in Hebrew of future submissions dates is available [here](#).

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Energy and Infrastructure

In order to maintain the routine supply of all energy products in Israel, the Israeli Government excluded all the energy companies, including the natural gas suppliers, transmission and distribution companies, LPG companies and electricity generation companies – from the applicable work place limitations under the emergency regulations enacted due to the Coronavirus.

On April 5, 2020, the Electricity Authority (EA) announced its decision to postpone the deadlines in the competitive procedures for the construction of Photo-Voltaic (PV) Facilities and the process for the construction of small natural gas fueled Power-Stations. In addition, the EA approved an increase in the quota of feed-in tariffs for consumers installing small sized PV roof-tops Facilities at a rate of NIS 0.45 per kWh, with a registration deadline until June 2020.

In light of the decrease in the use of public transportation and the low traffic level in general, the Ministry of Transport and the Ministry of Finance are currently promoting the acceleration of infrastructure projects with an initial budget of NIS 1.1 billion, with the intention to increase such budget.

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For the updated memo on Corona related resolutions and events in the telecommunications sector, please click [here](#).

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Hotels and Leisure

Although the 96% of the hotels in Israel are currently closed due to the Corona virus, and hotel owners/operators have put most of their employees on unpaid leave [see Labor Law update], the Emergency Regulations enacted on the 21 and 22 March 2020 have not imposed a mandatory closure on hotels.

The Ministry of Defense (Home Front Command) has rented a number of hotels, in different areas of the Israel, to serve as "Corona Hotels" both for people diagnosed with COVID19 and for isolation of people that have returned to Israel from abroad and are required to go into isolation and for isolation of individuals that have difficulties to isolate themselves at home. The Corona hotels continue to render basic hotel services (food served to the rooms, maintenance, cleaning, minimal front desk services) while the responsibility for the operation of the hotel, as a Corona isolation hotel, is that of the Home Front Command (which appoints an officer to "manage" the hotel instead of the GM). Dan Hotels were the first to participate in the tender issued by the Ministry of Defense with additional hotels joining the call to operate as Corona hotels in the past few weeks.

On the 19 April 2020 the Ministry of Tourism announced its plan for the re-opening of the tourism sector, once the lockdown measures are eased, in order to enable the hotel and tourism sectors to recover from the Corona crisis. According to the plan, the first stage will aim at local tourism and will allow nuclear families to stay in open accommodation facilities, holiday villages, rural bed & breakfasts and Airbnb facilities (all of which require to have separate kitchens and bathrooms). The second stage will allow hotels to provide rooms with food services supplied to the guests rooms with no use of the hotel's public areas. The third stage will allow use of the hotel's dining rooms subject to abiding the social distancing rules. A designated plan will be prepared for Eilat, a resort town whose main income depends on hotels and tourism and that is currently suffering from 70% unemployment. The hotel and tourism sector are requesting urgent government support in order to enable the industry to survive the crisis which has brought its activity to a standstill.

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