

# Israel



### PLG Member Firm

D. Mirkin & Co.

Our firm was founded in 1982 by its senior partner, Daniel Mirkin.

The office is well-known for its record in representing Israeli and foreign companies that run their business affairs both in Israel and abroad, in various fields such as investments in Israel and abroad, advanced technologies, the capital market, labor laws, hotel business and general industry, sports and commercial-related activities, all of this versus local companies and the Israeli Authorities.

The firm's reputation has been acquired based on the ample experience of its senior partners, and a staunch commitment to grant first rate and uncompromising professional legal services to its clients. This commitment is reflected in all aspects of the legal work carried out by the firm.

Our firm is medium sized, by Israeli standards, and has four partners and four associates in addition to paralegals; however the know-how amassed by its partners and associates, as well as the languages spoken at mother-tongue level, (Hebrew, English, French, Spanish, and Russian), allow us to undertake various undertakings in different parts of the world.

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## Israel



## Country Facts

### Legal Facts:

**Constitution:** The State of Israel, established in 1948, is a parliamentary democratic republic. The parliament (hereinafter: "[Knesset](#)"), located in Jerusalem, the state's capital, is a unicameral chamber of 120 members elected by universal suffrage every four years under a system of proportional representation of party lists. The legislative authority lies with the Knesset which, inter alia, enacts legislation and approves the state budget. The Executive Authority, the Government, headed by the [Prime Minister](#), is responsible to the Knesset. The President, who is the head of state, is elected by the Knesset for a seven year term and limited to one term in office. His functions are mostly ceremonial. He charges the [Prime Minister](#) with the formation of a [government](#) after elections for a new term of the [Knesset](#), appoints certain senior state officials, accredits Israel's envoys to foreign countries and has the power to pardon criminal offenders or commute their sentences. Israel does not have a written constitution, although there are some laws, which refer to basic rights, which can only be altered by a privileged majority vote, and cannot be contradicted by another legislation.

**Legal system:** The legal system was first established by the King's order in Council, when Great Britain was entrusted with the mandate over Palestine, after the First World War. This King's order preserved the then existing law, which was the Ottoman Majeleh, but allowed the introduction of the Laws of England. After the State was created, the same laws remained but were, little by little substituted and supplemented by new Israeli legislation. By and large the legal system follows the English one. However, family laws are governed by laws based on the Jewish religion (for Jews) and on the Muslim or Christian religion for the other sects. Some new laws such as, for example, the Law of Contracts, now follow the European – Continental example rather than the English one. The Court system still closely follows the English one: there exist three levels of Courts: Magistrate, District and the Supreme Court. The Supreme Court acts either as a Court of Appeal or as an Administrative Court, seizing itself of prerogative writs.

### Geographical Facts:

**Area:** *total:* 22,145 km<sup>2</sup>, (Including East Jerusalem and the Golan Heights)

**Natural resources:** Agriculture.

### Demographic Facts:

**Population** 7.4 million inhabitants (june 2009); **Languages:** Official languages are Hebrew and Arabic. English and Russian are widely spoken and understood; **Government:** A Democratic republic; **Administrative divisions:** The country is divided into seven administrative districts, each one headed by an officer appointed by the Ministry of interior

### Economical Facts:

**GDP:** \$188 billion (2009); **Unemployment rate:** 7.6 % (March 2009); **Exports:** us\$46.0 billion (2009);

**Exports partners:** European Union, U.S.A., Asia; **Imports:** us \$55.0 billion (2009); **Imports partners:** Same.

### Taxation:

The main taxes in Israel are as follows (1) Income tax - individuals pay up to 40%, which includes social security and health taxes, and corporations pay up to 30% (this amount will be reduced to 25% in the year 2010), (2) Capital gain tax of up to 25% on individuals and corporations and (3) V.A.T., which is 15.5%.

The tax system in Israel is based on the personal method and in some cases tax is applied on activities abroad.

There are many tax waivers and everything has to be checked on its merits.

### Links of interest:

<http://www.amcham.co.il>, <http://www.cbs.gov.il>, <http://www.law.du.edu/naturalresources>, <http://www.haaretz.co.il>