It is Important to Know that:

- A businessman, including an exporter or a company, offering bribe to a foreign public official, even through intermediaries and even in cases where the offence, in whole or in part, was committed abroad, run the risk of criminal prosecution in Israeli courts, as well as exposure to the commencement of criminal proceedings in a foreign state.
- The foreign bribery offence is a predicate offence for the purpose of the Prohibition on Money Laundering Law, 2000.
- Payments of bribes to foreign public officials, similarly to any payments made in violation of any law, are not tax deductible.

Responsibility of Legal Persons

Legal persons, by virtue of the general provisions of the Penal Law in Israel, can be held criminally liable for the offence of bribery of foreign public officials.

In appropriate circumstances, both the legal person and the individuals responsible for the commission of the offence, or involved in its commission, can be held criminally liable for the foreign bribery offence.

It is recommended to raise awareness amongst employees to the foreign bribery offence; to develop training programs aimed at internalizing the offence; and to create internal mechanisms to prevent it. It is also recommended to take steps to encourage employees to report to company management bodies on suspicions of acts of bribery of foreign public officials in the company. On this matter, see for instance, the OECD Good practice guidance on internal controls, ethics and compliance.

Protection for Employees Exposing Suspicions of Foreign Bribery (Whistle-blowers)

In the framework of the struggle against corruption in Israel, and in particular against bribery in international business transactions, it is vital to reiterate and emphasize, the importance of exposing acts of corruption to the competent authorities and the protection available to such an employee according to the Protection of Employees (Exposure of Offences, of Unethical Conduct and of Improper Administration) Law, 1997; and as far as employees of a body audited by the State Comptroller are concerned, also the protection provided by the State Comptroller and Ombudsman according to the authority vested in him by Articles 45A-45E to The State Comptroller Law [Consolidated Version], 1958; as provided for in the legal provisions of the said laws.

Means to Report Suspicions of Bribery of Foreign Public Officials

Suspicions of bribery of foreign public officials can be reported by one of the following ways:

- Submission of a complaint to one of the Israel Police stations located throughout Israel
- Calling 100 - the Israel Police
- Israel Police website: www.police.gov.il

For further information and the legal documents mentioned in the brochure, see:
www.corruption.justice.gov.il

מדינת ישראל
משרד המשפטים
State of Israel
Ministry of Justice



Combating Bribery of Foreign Public Officials

Bribery and corruption acts pose a threat to democratic institutions and can undermine the rule of law, inhibiting domestic and global economic development. For many years now, Israel has been dedicated to the fight against corruption and to the promotion of normative values of integrity and morality and to the establishment of mechanisms to eradicate corruption.

Israel, like many other states, is a member to both the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the UN Convention against Corruption (UNCAC). The shared belief at the basis of the commitment of different countries to the struggle against corruption, and against bribery of foreign public officials particularly, is that corruption and bribery are border-crossing phenomena undermining good governance and economic development and distorting free competition conditions in the global market. Therefore, in order to effectively prevent and combat theses disturbing phenomena, a comprehensive and interdisciplinary approach must be applied, with an emphasis on international cooperation.

The recent rise in globalization, resulting in the expansion of global trade, has created complex trading conditions, exposing those engaged in international commercial activity to the threat of bribery and corruption.

One of the means that Israel has undertaken to enhance the struggle against corruption is the legislation of a specific criminal offence of bribery of foreign public officials.

Bribery of a Foreign Public Official in Relation to a Business Activity, in Israel or Abroad, is a Criminal Offence in Israel

The foreign bribery offence, stipulated in Article 291A to the Penal Law, 1977, reads as follows: *" A person who gives a bribe to a foreign public official for an act in relation with his functions, in order to obtain, to assure or to promote business activity or other advantage in relation to business activity, shall be treated in the same manner as a person who commits an offence under Article 291."*

The offence, according to Article 291A to the Penal Law, prohibits bribery of foreign public official for the purpose of obtaining, assuring or promoting a business transaction, directly or indirectly. Directly, for instance, through bribing a foreign public official who can influence the decision regarding the conclusion of the transaction. Indirectly, for instance, the offence also applies to a bribe given for a vicarious promotion of the business activity, for example, by paying a foreign public official for unlawful disclosure of information, intended to provide the briber with an advantage in obtaining a business transaction.

"A foreign country", with regards to Article 291A, is defined broadly and includes also a political entity which is not a state.

"A foreign public official" includes any of the following:

- An employee of a foreign country and any person holding a public office or exercising a public function on behalf of a foreign country; including in the legislative, executive or judiciary branch of the foreign country, whether by appointment, by election or by agreement;
- A person holding a public office or exercising a public function on behalf of a public body constituted by an enactment of a foreign country, or of a body over which the foreign country exercises, directly or indirectly, control;
- An employee of a public international organization, and any person holding a public office or exercising a public function for a public international organization; "public international organization" means an organization formed by two or more countries, or by organizations formed by two or more countries.

The maximum penalty set for the offence of bribery of a foreign public official is seven years imprisonment and a fine of about 1,100,000 ILS for an individual and about 2,200,000 ILS for a corporation, or four times the benefit obtained by the offence or intended to be obtained by the offence, whichever is higher.