

KEREN KAYEMET LE-ISRAEL LAW, 5714-1953*

1. In this Law --

- Definitions.
- "the existing company" means the Keren Kayemet Le-Israel B.M.;
 - "the new company" means the company established under this Law;
 - the terms "assets and "liabilities" have the same meaning as in section 119A of the Companies Ordinance(1).

Memorandum and articles for the incorporation of the existing company in Israel.

2. The Minister of Justice may approve a memorandum of association and articles of a company limited by guarantee, submitted to him by the existing company, for the purpose of establishing a body incorporated in Israel to continue the activities of the existing company, which was founded and incorporated in the Diaspora.

3. Upon the memorandum and articles being approved -

Establishment of the new company.

- (1) notice of the approval (hereinafter: "the notice"), and the approved memorandum, shall be published in *Reshumot* ;
- (2) a copy of the memorandum of association and articles, as approved, shall be forwarded to the Registrar of Companies ;
- (3) the Company, including its memorandum of association and articles, shall, as from the day of publication of the notice, be deemed to be a company registered under the Companies Ordinance and licensed under section 23 (1) thereof.

Identity as to rights and powers.

4. Every right or power vested by law in the existing company shall also be vested in the new company.

Inapplicability of certain sections of companies Ordinance.

5. Section 112 and the second and third paragraphs of section 121 (1) of the Companies Ordinance shall not apply to the new company.

Power under Land (Acquisition for Public Purposes) Ordinance, 1943.

6. For the purposes of section 22 of the Land (Acquisition for Public Purposes) Ordinance, 1943(2), the new company shall have the same status as a local authority.

Living legacy business.

7. The Insurance Business (Superintendence) Law, 5711-1951(3), shall not apply to living legacy business of the existing company and the new company even if it involves insurance business.

Transfer of assets of existing company under business transfer arrangement.

8. If the existing company reaches an agreement with the new company for the handing-over of the whole or a particular class of the business, assets and liabilities of the existing company to the new company, the provisions of section 119A of the Companies Ordinance shall apply to such agreement with the following modifications:

- (1) subsection (5), paragraphs (a) and (b), and subsection (8) shall not apply;
- (2) if the arrangement concerns a particular class of business, assets or liabilities, the provisions of subsection (7) shall not apply to an order of the Court confirming the arrangement save in respect of that class of business, assets or liabilities.

9. Where the transfer of particular assets of the existing company to the new company is agreed upon otherwise than in the manner referred to in section 8, then -

Transfer of assets in other manner.

- (1) the new company shall publish a notice of the agreement in *Reshumot*, in one daily newspaper in Israel and in one daily newspaper circulating in the country in which the existing company is incorporated ;
- (2) as from the day of the transfer as aforesaid -
 - (a) the new company and the existing company shall be jointly and severally responsible for any liability which existed on the part of the existing company immediately before the transfer, or the cause of which existed at that time, other than a liability with which the transferred assets only are charged ;
 - (b) any liability which, immediately before the transfer, constituted a floating charge on the assets of the existing company shall be treated as a liability constituting such a charge also on the assets of the new company.

Exemption from transfer dues.

10. Any transfer of assets or liabilities, any amendment of a registration and any other act done in consequence of a transfer as referred to in section 8 or in carrying out an agreement as referred to in section 9 are exempt from any tax, fee or other charge payable to the State or a local authority.

YITZCHAK BEN-ZVI
President of the State

DAVID BEN-GURION
Prime Minister

PINCHAS ROSEN
Minister of Labor

* Passed by the Knesset on the 16th Kislev, 5714 (23rd November, 1953) and published in *Sefer Ha-Chukkim* No. 138 of the 26th Kislev, 5714, (3rd December, 1953), p. 34; the Bill and an Explanatory Note were published in *Hatza'ot Chok* No. 168 of 5713, p. 222.

(1) *Laws of Palestine* vol. I, cap. 22, p. 161 (English Edition); *Sefer Ha-*

Chukkim No. 58 of 5710, p. 316 - LSI vol. IV, p. 185.

(2) *P. G.* of 1943, Suppl. I, No, 1305, p. 44 (English Edition).

(3) *Sefer Ha-Chukkim* No. 79 of 5711, p. 221; Vol. V, p. 142.

SOURCE: *"Laws of the State of Israel: Authorized Translation from the Hebrew, Volume 8"*. Government Printer, Jerusalem, Israel (1948-1987), p. 35-37.

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<http://www.israellawresourcecenter.org/israellaws/fulltext/kerenkayemetlaw.htm>