

Harris & Co
Maritime law office

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Haifa * Tel-Aviv * Israel



Israel in General

Having the population of 9.228 Million and a quarterly GDP of 325,463 Million, young population and having an economy composed on a variety of high-tech, science, agriculture, energy, transportation commerce and others, and located on the both historic silk road connecting between Africa, Asia, Europe, and the Middle East Israel is an attractive country to establish commercial and cultural relations.

Incorporating in Israel

There are several ways and options available to a UAE company to take a step into the Israeli market and law system. A UAE company can either be a shareholder in a company incorporated in Israel (including 100% shareholder); or to register in the Israeli corporate registration as a "foreign company" following clause 346 of the Corporate Act – 1999.

The registration as a 'foreign company' requires the nomination of a person located in Israel as an authorized representative of the foreign company for the purpose of receiving notices and pleadings. However, the corporate structure of the foreign company remains as it is, which means, that there is no requirement for appointing a local director. Such a registration requires also the registration at the Israeli income tax and v.a.t authorities.

Another option is to be registered with a local or other partner as a "partnership" under the Partnerships Act of 1975, however partners in the partnership do not enjoy a corporate veil and a limitation on their liability.

High lights on The Israeli Income tax system

The Israeli tax system contains both the territorial and personal principles. Which means, In general, and subject to exceptions by law, income tax is paid for income produced or emerged in Israel or which have been received by an Israeli resident.

Under the Enforcement of Capital Investments Act of 1959 and other related acts, governmental support and different aspects of tax reliefs and exemptions, are provided to a variety aspects of capital investments in the Israeli economy and market.

Highlights on the Israeli legal system

Israel has one legal system. The civil courts are the Magistrate and District Courts. The Supreme Court is the Appeal Court of the District Court and also acts as the Court of Justice.

The signing on a law and jurisdiction and/or arbitration clause referring the parties to either England's High Court or London Arbitration is quite common, especially in international commercial agreements.

Israel has ratified the 'New-York Arbitral Awards Convention' (Convention on the Recognition and Enforcement of foreign Arbitral Awards, New York, 1958).

Under the Regulations for the Performing of the New York Convention -1978, the District Courts are authorised to enforce a foreign arbitral award, provided, that the Applicant will present the Court with a verified copy of the award and of the arbitration agreement.

In addition, under Article 5 and Article 6 of the Arbitration Act, 1968 the District Court will order a stay of proceedings where the matter in dispute is subject to an arbitration agreement (or arbitration clause in the contract) and if the arbitration is subject to any international convention that was joined by Israel, the proceedings will be stayed according to the rules relating to stay of proceedings which appear in the convention

Following clauses 16 and 39A of the Israeli Arbitration Act the District Courts are authorized to provide supportive remedies to an Arbitral procedure including to a foreign arbitration. Such remedies include for example, ordering on attachment of assets located in Israel (in order to secure the arbitral claim and award), or for example examinations of witnesses or the summon of witnesses.

Under the Enforcement of Foreign Judgments Act, an Israeli Court is authorised to enforce a foreign judgment provided that the judgment was handled by an authorised Court, it is not appealable and its contents are not contradictory to public policy (Article 3 (1)– (4)).

Israel's strategic location

As mentioned above Israel is in fact a bridge between Africa, Asia, Europe and the Middle East. The Israeli port of Haifa is less than 45 minutes' drive from the Shieh Husain Bridge connecting between Haifa and Jordan. Ashdod Port is not so for either from the Jordanian border and Eilat port is right opposite the city of Aquba.

This location of the State of Israel can contribute and already been contributing to the emerging of both constructions' projects in Israel and commerce towards Jordan and further East.

HOW CAN HARRIS & Co. HELP YOU?

Having an accumulated experience of more than 50 years of practicing law in Israel, Harris & Co. specializes in Maritime Law, Corporate Law and Commercial Litigation.

Harris & Co and its affiliates can provide the required legal frame for establishing commercial activities in Israel. Either the formal incorporating and registration and further with commercial agreements, tax advice, import and export, shipping, custom clearance, real estate, and dispute resolution.

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