



STATE OF ISRAEL
MINISTRY OF FINANCE

SPOKESPERSON OFFICE

INTERNATIONAL AFFAIRS
DEPARTMENT

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Press Release

**Another Step Taken Toward Shortening the Process of
Starting a Business in Israel**

Knesset Internal Affairs Committee approves Finance Ministry business licensing reform

Today, the Knesset (Israeli parliament) Internal Affairs and Environment Committee approved the amendment to the Business Licensing Law submitted by Finance Minister **Dr. Yuval Steinitz**. The amendment is part of the Ministry of Finance's policy of improving the efficiency of the procedure for licensing businesses in Israel, creating greater certainty for owners of private businesses.

The amendment is a product of discussions held by the interministerial Haber Committee, headed by the Ministry of Finance director of budgets at the time, **Mr. Kobi Haber**. The committee recommended the establishment of an expedited procedure for business permit applications, and the creation of a nationwide uniform list of specifications for the foundation of businesses. The government approved the recommendations of the committee within the [budget law and economic plan for 2009-2010](#). Today, following an extended series of discussions conducted by the Internal Affairs and Environment Committee, headed by **MK David Azulai**, the amendments to the law were approved.

Highlights of the amendments approved today:

Expedited Procedure

Currently, due to the complex bureaucratic process involved in obtaining a business license, many businesses commence operations without a license, and only receive permanent approvals after an inspection by the municipality. The revised law will obligate business owners to declare in writing that they comply with a list of basic criteria, to be formulated by the various government ministries according to the provisions of the law (for example, maintaining fire safety, public health, compliance with planning and construction laws, etc.). Business owners will receive an expedited approval after declaring their compliance with the conditions established according to the nature of the business; the municipality will subsequently conduct an inspection of the business. A list of types of businesses permitted to



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apply for the expedited procedure will be published pursuant to an order of the minister of internal affairs.

Uniform Specifications

Business licenses are granted by municipalities; the various government ministries establish the conditions for granting the licenses. Currently, requirements change frequently and are not uniform throughout Israel, posing difficulties and creating unequal conditions and uncertainty for business owners. Under the amendment, the government ministries involved in establishing these conditions will be required to publish a new, uniform, nationwide list of specifications.

Within the reform, the main part of the procedure for opening a business will be performed online, using the municipalities' websites. Where necessary, the government will assist municipalities that do not have websites in establishing an online system to fulfill the requirements of the law.

Pursuant to the government resolution of July 15, 2010, the ministries will be monitored and guided in writing the specifications by the Committee on Doing Business in Israel. The committee, headed by Ministry of Finance Director General, **Mr. Haim Shani**, is charged with promoting and streamlining the process of doing business in Israel, based on the World Bank's rankings on the Ease of Doing Business Index (see Israel on the World Bank's DoingBusiness.org website).

Ministry of Finance Director General, **Mr. Haim Shani**, commented: "The Ministry of Finance views the improvement of the efficiency of the procedure for opening businesses as a significant contribution to the growth of the economy. The promotion of today's amendment will remove bureaucratic obstacles and expedite the foundation of additional businesses, and in the long term it will essentially expand the volume of business activity."

Following the approval of the law by the Knesset plenum, upon inception of the law the government ministries will be granted a period of six months in which to prepare the specifications.