



YIGAL ARNON & Co.
LAW FIRM

Client Update – March 29, 2020

Securities Law and Capital Market

The Implications of the Corona Virus on the Business Activities of Reporting Corporations

Following the spread of the Corona virus in Israel and around the world, the Israeli Securities and Exchange Authority has issued a directive stating that corporations whose business operations are affected or may be materially affected by the outbreak are required to provide adequate disclosure to investors through prompt reports of any material developments in the matter, as well as being part of the Board of Directors' report. For the wording, see [here](#).

Extension for the Publication Deadline of the 2019 Annual Report

Following the Corona virus outbreak, the Israeli Securities and Exchange Authority decided to extend the deadline for the publication of the 2019 annual reports, so that reporting corporations will be allowed to report for 2019 until no later than April 30, 2020 (previously March 31, 2020). It should be emphasized that a corporation that chooses to use such an extension, will be required to issue an immediate report to investors at the time of the decision not to submit the report by its customary filing date or by March 31, 2020, whichever is earlier. It is important to note that the aforementioned extension does not exempt corporations from contractual obligations to third parties, such as financiers, like the submission of audited annual financial statements by March 31, 2020.

[Extension for the Publication Deadline of the 2019 Annual Report](#)

Notice to Companies: Equity Repurchases by a Corporation During the “Limitations to Prevent the Corona Virus Spread” and Near the Date of Publication of the Financial Statements for 2019

The Israeli Securities and Exchange Authority has issued a notice stating that when a reporting corporation publishes preliminary financial statements, prepared in accordance with the staff position 105-26, (i.e., which include the corporation's principal financial data), then repurchases of corporation equity will be permitted based on the preliminary financial statements. It should be emphasized that the corporation must ensure that it has no additional material information that is not disclosed in the preliminary report, or alternatively that such information is disclosed before the self-acquisition transactions are made.

See notice to companies [here](#).



It should be noted that due to the spread of the Corona virus and its impact on the capital markets, the Israeli Securities and Exchange Authority is working in a unique format, with the aim of providing a professional and accessible response to the general public and regulated entities. All public notices and updates of the Israeli Securities Authority can be found [here](#).

We are here to help you with anything you may need, Adv. Daniel Marcovici (danielm@arnon.co.il).

This update is informative only and should not be treated as legal advice or legal opinion.

