

Internal Revenue Service
P. O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Date: March 12, 2010

IRMEP
CALVERT STATION
% GRANT F SMITH
PO BOX 32041
WASHINGTON DC 20007

Person to Contact:
Sophia Brown # 02-02975
Toll Free Telephone Number:
877-829-5500

Dear Sir or Madam:

This is in response to your letter of January 23, 2010, requesting a copy of the application for tax-exempt status for Jewish Agency For Israel.

While we were unable to locate these documents, our records indicate a determination letter was issued in September 1948 granting the organization exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate this organization is not a private foundation within the meaning of section 509(a) because it is classified under section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to this organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to the organization or for its use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Cindy Thomas
Manager, Exempt Organizations
Determinations

SEGREGATE

NSD, (b)(6) and (b)(7)(C)

James L. Weldon, Jr., Chief
Registration Section

December 31, 1970

RCM:JLW: NSD NSD

149-1570

NSD NSD

RECONSTITUTION OF THE JEWISH AGENCY FOR ISRAEL

The purpose of this memorandum is to present to you the research I have completed on the Reconstituted Jewish Agency for Israel (RJAFI). Attached to this memorandum are the following items pertaining to that research:

- A. Organizational chart, Jewish Agency for Israel (JAFI)
- B. Organizational chart, World Zionist Organization (WZO)
- C. Organizational chart, Reconstituted Jewish Agency for Israel (RJAFI)
- D. Information sheet on the functions of the Executive of the Reconstituted Jewish Agency for Israel and the Executive of the World Zionist Organization
- E. Information sheet on the functions of the United Jewish Appeal (a partnership of the United Israel Appeal, Inc. and the American Jewish Joint Distribution Committee)
- F. Copy of the Agreement for the Reconstitution of the Jewish Agency for Israel (dated February, 1970)
- G. Highlights of Agreement for the Reconstitution fo the Jewish Agency for Israel (dated August 24-27, 1970)
- H. Organizational chart (detailed), Reconstituted Jewish Agency for Israel
- I. Covenant Between the Government of Israel and the Zionist Executive called also the Executive of the Jewish Agency (dated July 26, 1954)

*Full
JLW*

cc: Records Mr. Weldon Mr. Hise Chrono.
NSD NSD (2) Mr. O'Shea JKG

NSD FOIA 08-095-0062

As background information, the following should be carefully noted:

In 1922, the World Zionist Organization was recognized as a Jewish Agency in fulfillment of Article 4 of the Mandate for Palestine (League of Nations) which read in part as follows:

"An appropriate Jewish agency shall be recognized as a public body for the purpose of advising and cooperating with the Administration of Palestine in such economic, social and other matters as may effect the establishment of the Jewish national home, and the interests of the Jewish population in Palestine. . . ."

In August of 1929 (in Zurich, Switzerland), an enlarged Jewish Agency was created as a result of an agreement reached between Zionist and non-Zionist Jews. This enlarged Jewish Agency provided for the representation of both the Zionist and non-Zionist Jews in the Agency's organization. The advent of World War II brought with it a diminishing participation on the part of the non-Zionist Jews in the Jewish Agency. The effect was that after 1939-40, the World Zionist Organization and the Jewish Agency became virtually synonymous terms.

At a meeting on August 27, 1970, the Jewish Agency was formally enlarged to include representatives of non-Zionist Jews outside the State of Israel. The agreement was signed in Jerusalem; the signatories were members of the World Zionist Organization and members of the largest Israel fund-raising organizations abroad.

The above very sketchy outline of the history of the Jewish Agency for Israel, coupled with the reconstitution of the Jewish Agency in 1970, has raised numerous questions with reference to the future World Zionist Organization/Jewish Agency for Israel relationship. The most effective presentation of those questions appears to be to first state my understanding of the facts giving rise to the questions, then present the questions themselves:

1. STATEMENT: Since 1939-40, the World Zionist Organization and the Jewish Agency for Israel have been virtually synonymous terms, however the organization of each differ both in size and election procedure. It is noted that both the WZO and the JAFI perform the identical functions as enumerated in the attached Covenant of 1954.

QUESTION: During the years from 1940 to 1970, did a meeting of the WZO Congress constitute a meeting of the Council of the Jewish Agency? Does the Administrative Council of the Jewish Agency consist only of persons seated on the General Council of the WZO; hence, would a meeting of the WZO General Council constitute a meeting of the Jewish Agency's Administrative Council?

2. STATEMENT: The WZO franchise is granted to shekel holders over 18 years of age.

QUESTION: What is the present required annual payment of the shekel for Israel, the United States, and other countries have large Jewish communities? What is the current composition of the Congress of the WZO?

3. STATEMENT: The Executive of the Reconstituted Jewish Agency for Israel consists of 11 members elected ad personam to four year terms; the Board of Governors of the RJAFI is composed of members designated for four year terms. The above members serve only as long as they are members of the Assembly of the RJAFI.

QUESTION: What is an ad personam election? Does the Agreement for the RJAFI presuppose that the designators of the Assembly membership will re-designate as their members those who have been elected to either the Board of Governors or the Executive of the RJAFI; are the designators of the Assembly membership under any compulsion

to so re-designate as members of the Assembly those who have been elected to the Board or the Executive?

4. STATEMENT: The General Chairman of the United Jewish Appeal is to be elected a member of the Executive of the Reconstituted Jewish Agency for Israel.

QUESTION: Does the Agreement for the RJAFI presuppose that the United Jewish Appeal General Chairman will be designated a member of the Assembly, a step required for election to the Executive? If such a presupposition exists, which of the designators of the Assembly membership will be required to so designate him a member?

5. STATEMENT: The Chairman of the Keren Hayesod is to be elected a member of the Executive of the RJAFI. The Keren Hayesod is an institution of the World Zionist Organization according to the 1954 Covenant.

QUESTION: Is the WZO obligated by the RJAFI Agreement to designate the Chairman of the Keren Hayesod to be a member of the Assembly, or is this a presupposition by the Agreement?

6. STATEMENT: Page 2 of The Israel Digest, September 4, 1970, a publication of the Jewish Agency--American Section, Inc., states that the Treasurer of the Executive of the RJAFI "must be the Treasurer of the Zionist Executive as well."

QUESTION: I cannot find such a requirement in the Agreement for the RJAFI; is there possibly another, more detailed, statement that has not been made available to this Section concerning the RJAFI? Is it possible that another presupposition exists, namely that the WZO will designate its Treasurer to be a member of the Assembly of the RJAFI, then the Board of Governors of the RJAFI will elect that particular individual to be the Treasurer of the Executive of the RJAFI?

7. STATEMENT: The 1954 Covenant lists nine functions of the Executive of the World Zionist Organization which is also called the Executive of the Jewish Agency; the 1970 RJAFI Agreement lists nine functions of the new Executive of the Reconstituted Jewish Agency for Israel. Article 1 (B) of that 1970 Agreement states that the WZO will continue to perform the 1954 Covenant functions which have not been specifically granted to the new RJAFI.

QUESTION: Appendix D of my attachments list the functions mentioned above; a comparison of the two lists leaves six functions for the WZO to perform. The Israel Digest of September 4, 1970, listed in more exact terms what those functions would entail. Would it be possible for the WZO to detail all its functions and programs to be performed after the Reconstitution of the Jewish Agency for Israel becomes effective?

8. STATEMENT: According to the American Jewish Yearbook, the Jewish National Fund (Keren Kayemeth Le Israel) is permitted by the United Jewish Appeal to raise \$1.8 million from "traditional collections" in the United States.

QUESTION: The Jewish National Fund is a WZO institution; what is the agreement and how was it reached between the UJA and the JNF (WZO).

9. STATEMENT: The Jewish Agency--American Section, Inc. is also known as the Jewish Agency for Israel, Inc. and receives funds from the United Israel Appeal, Inc. for disbursement in Israel.

QUESTION: Will the Jewish Agency for Israel, Inc. cease to exist after the reconstitution becomes effective resulting in direct payments by UIA, Inc.

to the RJAFI? If the Jewish Agency--American Section, Inc. ceases to exist, what will be the name and location of the United States branch of the World Zionist Organization after the RJAFI becomes effective?

10. **STATEMENT:** The United Israel Appeal, Inc. resulted from the merger of the Jewish Agency for Israel, Inc. and the United Israel Appeal in 1966. However, the American Jewish Yearbook frequently refers to a UIA, Inc. and a UIA.

QUESTION: Is there any difference between the UIA, Inc. and the UIA; if there is, what are those differences?

There are many items which if supplied to this Section would add immensely to our understanding of the WZO/JAFI relationship. I have suggested some of those items in the context of the preceding questions; following are additional items:

1. The current composition and organization of the WZO;
2. the current list of functions and programs of the WZO;
3. the current composition and organization of the United Israel Appeal, Inc.;
4. the current composition and organization as well as a brief history of both the Keren Kayemeth Le Israel (Jewish National Fund) and Keren Hayesod;
5. a list of individuals serving on the Board of Governors and Executive of the Reconstituted Jewish Agency for Israel as soon as such a list is available (NOTE: the Assembly of the RJAFI will first meet in June of 1971);
6. synopses of any agreement between the World Zionist Organization, the Reconstituted Jewish Agency for Israel, and Israel fund-raising organizations in the United States.

This memorandum represents only my initial research into the WZO/JAFI relationship; any further research must await complete answers to the questions raised in this memorandum.

JEWISH AGENCY FOR ISRAEL

After 1939-40, participation by the non-Zionist Jews in the Jewish Agency diminished and today the World Zionist Organization and the Jewish Agency for Israel are virtually synonymous terms.

EXECUTIVE OF THE JEWISH AGENCYDuties

1. Organizing immigration abroad and the transfer of immigrants and their property to Israel
2. Participates in the absorption of immigrants in Israel
3. Participates in the agricultural settlement in Israel
4. Acquires and ameliorates the land in Israel through the use of the WZO institutions (Keren Kayemeth Le Israel, Keren Hayesod)
5. Participates in the establishment and the expansion of development enterprise in Israel
6. Encourages private capital investments in Israel
7. Assists cultural enterprises and institutions of higher learning in Israel
8. Mobilizes resources for financing all of the above functions.
9. Coordinates the activities in Israel of Jewish institutions and organizations acting within the sphere of the above functions with the aid of public funds.

Organization

1. Consists of all members of the WZO Executive and three non-Zionist Jews (pre-1939)
 2. Members of the Executive are appointed by the Council
 3. The President of the Jewish Agency for Israel is the same person as the President of the WZO
 4. The Executive offices of the Jewish Agency for Israel are located in Jerusalem
 5. History of the make-up of the Executive of the Jewish Agency for Israel: (pre 1939)
- | Year | Zionist | Non-Zionist |
|------|---------|-------------|
| 1929 | 5 | 4 |
| 1931 | 6 | 4 |
| 1933 | 10 | 3 |
| 1935 | 8 | 3 |
| 1945 | 17 | 3 |

ADMINISTRATIVE COUNCIL OF THE JEWISH AGENCYDuties

1. Meets between the meetings of the Council of the Jewish Agency to receive reports from the Executive of the Jewish Agency for Israel
2. During these intervals, decides questions of policy
3. During these intervals, exercises general supervision over the activities of the Executive

Organization

1. Consists of forty members: --20 are appointed by the Zionist of the Council; prior to 1939, 20 were appointed by the non-Zionists of the Council.
2. Meets simultaneously with the General Council of the WZO

COUNCIL OF THE JEWISH AGENCYDuties

1. Supreme governing body of the Jewish Agency for Israel

Organization

1. Consists of 224 representatives: --112 Zionists elected by the WZO Congress --prior to 1939: 112 non-Zionist appointed in each country in a manner suited to local conditions
2. Ordinary meetings take place in two years in close connection with and immediately after sessions of the Congress of WZO

WORLD ZIONIST ORGANIZATION

EXECUTIVE OF THE WORLD ZIONIST ORGANIZATIONDuties

1. Provides the direction of the World Zionist Organization
2. Performs identical functions as those listed for the Executive of the Jewish Agency for Israel
3. Carries out the resolutions passed by the Congress and the General Council of the WZO
4. Transacts the day-to-day business of the WZO

Organization

1. Consists of 16 members plus the President of the WZO and the Chairman of the Jewish Agency
2. Is elected by the Congress of the World Zionist Organization

GENERAL COUNCIL OF THE WORLD ZIONIST ORGANIZATIONDuties

1. Has the power to pass resolutions dictating action providing that those actions do not conflict with the resolutions of the Congress of the WZO
2. Is a supervisory body to which all executive bodies of the WZO are subject
3. For urgent matters, the "Inner Zionist Council" is a smaller 30 member body in Israel.

Organization

1. Consists of about 80 members with the same complexion as the Congress of the WZO
2. Is elected by the Congress of the World Zionist Organization
3. Meets from time to time in the period between one Congress and another

CONGRESS OF THE WORLD ZIONIST ORGANIZATIONDuties

1. Receives reports of the Executive of the WZO
2. Passes legislative measures
3. Decides questions of fundamental importance
4. Elects the General Council and the Executive of the World Zionist Organization

Organization

1. Meets once in two years
2. Prior to Congress meetings, elections are held of delegates representing each country where there is a Zionist movement
3. The number of delegates is fixed in relation to the number of local shekel* holders.
4. Proportional representation is based on nomination lists submitted by each party (seats are distributed by each party in proportion to the number of votes that party obtains)

*A shekel is styled after the Jewish silver coin of Biblical times; membership in the WZO is acquired by the annual payment of the shekel which is fixed for each country. The shekel is the basis of the Zionist franchise: the right to vote in the elections of the delegates to the Zionist Congress being vested in those who have paid the shekel and who are over eighteen years of age.

RECONSTITUTED JEWISH AGENCY FOR ISRAEL

EXECUTIVE OF THE RECONSTITUTED JEWISH AGENCY

Duties

1. Responsible for day-to-day operations of the Jewish Agency subject to control of the Board of Governors of the Jewish Agency
2. Generally represents the Jewish Agency and acts on its behalf (enters into contracts, borrows funds, issues evidences of indebtedness)
3. Prepares and submits following each year to Bd. of Governors:
 - Estimate of receipts
 - Budget of needs
 - Budget of recommended expenditures
4. Acts with collective responsibility as a collective body

Organization

1. Consists of eleven members elected ad personam to four year terms:
 - Assembly Chairman becomes the Executive Chairman
 - (2) Heads of Dept. of Immigration and Absorption
 - Head of Dept. of Youth Care and Training
 - Head of Dept. of Agricultural Settlement
 - (3) members of Bd. of Governors not designated by WZO (two to be designated by UIA)
 - Treasurer
 - Chairman of Keren Hayesod
 - General Chairman of the Unit Jewish Appeal

BOARD OF GOVERNORS OF THE RECONSTITUTED JEWISH AGENCY

Duties

1. Manages affairs of the Jewish Agency and controls its activities
2. Has full power to act for Jewish Agency
3. Fixes policies of Jewish Agency between meetings of the Assembly
4. Determines budget for each year based on review of recommendations of the Executive
5. Elects members of the Executive

Organization

1. Consists of 38 members:
 - Leading fund raising bodies in Jewish communities outside USA designate 20% of Board (8 members)
 - United Israel Appeal, Inc. designates 30% of Board (11 members)
 - WZO designates 50% of Board (19 members)
2. Members can serve for succeeding four year terms
3. Meets three times a year
4. Chairman of the Board elected by majority vote of Bd's members.

ASSEMBLY OF THE RECONSTITUTED JEWISH AGENCY

Duties

1. Determines basic policies of the Jewish Agency
2. Reviews the needs and programs of the Jewish Agency
3. Receives reports of the Board of Governors and the Executive
4. Considers and acts upon budgets submitted by the Board of Governors
5. Elects officers of the Assembly from among the members of the Assembly

Organization

1. Consists of 296 members:
 - Leading fund raising bodies in Jewish communities outside USA designate 20% of Assembly (59 members)
 - United Israel Appeal, Inc. designates 30% of membership of the Assembly (89 members)
 - WZO designates 50% of the Assembly (148 members)
2. Meets annually with members serving one year terms (member can serve succeeding terms)
3. Each member has one vote.

FUNCTIONS OF THE RECONSTITUTED
JEWISH AGENCY FOR ISRAEL
(February, 1970)

1. Immigration to and absorption of immigrants in Israel;
2. Social welfare services in connection with immigration and absorption;
3. Health services in connection with immigration and absorption;
4. Education;
5. Institutions of higher learning and research;
6. Youth care and training;
7. Absorption in agricultural settlement;
8. Immigrant housing;
9. Such other functions and tasks as the Agency may deem necessary or advisable.

FUNCTIONS OF THE ZIONIST EXECUTIVE
WHICH IS ALSO CALLED THE EXECUTIVE
OF THE JEWISH AGENCY (July 26, 1954)

1. the organizing of immigration abroad and the transfer of immigrants and their property to Israel;
2. Participation in the absorption of immigrants in Israel;
3. Assistance to cultural enterprises and institutions of higher learning in Israel;
4. Agricultural settlement in Israel;
5. The acquisition and amelioration of land in Israel by institutions of the Zionist Organization, the Keren Kayemeth Le Israel (Jewish National Fund) and the Keren Hayesod;
6. Participation in the establishment and the expansion of development enterprises in Israel;
7. The encouragement of private capital investments in Israel;
8. The mobilization of resources for financing these functions;
9. The coordination of the activities in Israel of Jewish institutions and organizations acting within the sphere of these functions with the aid of public funds.

FUNCTIONS OF THE ZIONIST EXECUTIVE AFTER THE RECONSTITUTION OF THE JEWISH AGENCY BECOMES EFFECTIVE:

1. Assistance to cultural enterprises in Israel;
2. Acquisition and amelioration of land in Israel by institutions of the Zionist Organization, the Keren Kayemeth Le Israel (Jewish National Fund) and the Keren Hayesod;
3. Participation in the establishment and the expansion of development enterprises in Israel;
4. Encouragement of private capital investments in Israel;
5. Mobilization of resources for financing these functions;
6. Coordination of the activities in Israel of Jewish institutions and organizations acting within the sphere of these functions with the aid of public funds.

- AS PER ISRAEL DIGEST, Vol. XIII, No. 18
7. Education in the Diaspora
 8. Youth and Hechalutz
 9. Public information
 10. The Jewish National Fund
 11. Cultural institutions

UNITED JEWISH APPEAL

UNITED ISRAEL APPEAL

AMERICAN JEWISH JOINT
DISTRIBUTION COMMITTEE

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> 1. UIA 2. UIA, Inc. resulted from merger of the Jewish Agency for Israel, Inc. and UIA in 1966 3. 210 member BOARD OF TRUSTEES
--100 members drawn from names suggested by various communities
--100 designated by American Zionist organizations which had been represented in the earlier UIA
--10 elected at large 4. 27 member BOARD OF DIRECTORS
--2/3 elected by new board of trustees
--1/3 designated by the Jewish Agency--American Section, Inc. 5. Funds received from UJA are appropriated for specific programs 6. Services for immigrants and other programs in Israel by Jewish Agency for Israel are provided in line with specific allocations and instructions from UIA, Inc. 7. Conducts year-round program of stimulating interest in Israel through films, literature, and direct contact with membership organizations and welfare funds. | <ol style="list-style-type: none"> 1. JDC 2. American agency conducting global program of direct aid to Jews through its own staff overseas & in cooperation with indigenous Jewish organizations 3. Assisted Jews in Israel, Western Europe, Eastern Europe, Moslem areas, and smaller assistance in other areas. 4. JDC Malben program of service to sick, aged, and handicapped immigrants in Israel accounted for the largest share of JDC funds 5. JDC assistance is channelled through the following agencies:
--OSE for health services
--Alliance Israelite Universelle
--Ozar Hatorah
--Lubavitcher schools for educational work
--ORT for vocational training 6. Half of the JDC costs for Europe were centered in France and channelled through Fonds Social Juif Unifie |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

 UNITED JEWISH APPEAL

1. Partnership of the United Israel Appeal (UIA; formerly United Palestine Appeal) and the American Jewish Joint Distribution Committee (JDC);
2. Partnership for the purpose of joint fund raising; over 90 percent of UJA income is received from federations; 10 percent secured in hundreds of small nonfederated communities with the cooperation of community leaders
3. Inception in 1939; distribution of funds in accordance with formula which has remained unchanged since 1951.
4. Agencies which share in UJA funds: Joint Distribution Committee; United Israel Appeal (actually Jewish Agency for Israel); United Service for New Americans (USNA); New York Association for New Americans (NYANA); and United Hias Service (UHS)
5. Initiated its Israel Education Fund in Sept. 1964; objective to conduct a five year capital fund campaign to provide high-school facilities, etc.; this effort is separate from annual UJA campaign.
6. JEWISH NATIONAL FUND: permitted under UJA agreement to raise \$1.8 million annually from "traditional collections" in the USA. Substantial portions were raised with the help of Hadassah, the ZOA, and other organizations.

February, 1970.

AGREEMENT FOR THE RECONSTITUTION OF
THE JEWISH AGENCY FOR ISRAEL

P R E A M B L E

WHEREAS:

1. In accordance with the World Zionist Organization - Jewish Agency (Status) Law, 5713 - 1952, and the Covenant entered into thereunder between the Government of Israel and the Executive of The Jewish Agency for Israel dated July 26, 1954, the World Zionist Organization (WZO) has undertaken certain tasks set forth therein, and more particularly the responsibility for bringing Jewish immigrants and refugees into Israel and for their resettlement, rehabilitation and absorption in the country.
2. The WZO has for many years acted also as The Jewish Agency for Israel.
3. Jewish communities throughout the free world have with great devotion and selfless dedication evidenced their deep concern for the welfare of their fellow Jews everywhere and to meet the urgent and continuing needs of immigration, resettlement and absorption.
4. The historic task of repatriating to the State of Israel all homeless, persecuted Jews seeking refuge in their historic Home, and their resettlement therein as free and self-supporting human beings, will continue to require ever-increasing efforts on the part of Jewish communities throughout the world.
5. The organizations signatory to this Agreement, which in the past served as the principal instruments through which the financial participation of Jewish communities outside of Israel for the work of rescue, relief and rehabilitation and their resettlement in Israel were channeled, are determined to intensify their service and to secure ever-increasing cooperation on the part of all Jews throughout the world who share a sense of dedication to these tasks.
6. The WZO seeks to obtain the active participation of Jews throughout the world in the work of rescue, rehabilitation, resettlement and reconstruction in Israel and to share with them the responsibility for the planning and the execution of these great tasks.
7. In the firm belief that the sharing of responsibility of planning and implementing the aforesaid tasks will strengthen the bonds existing between the Jewish people in Israel and the Jewish communities everywhere and will serve the best interests of all concerned.
8. The WZO has invited the organizations signatory to this Agreement to join with it, and with each other, in the reconstitution of The Jewish Agency for Israel on a

broader basis for the purpose of continuing the tasks referred to above, and for the mobilization of the resources required in connection therewith.

THEREFORE,

The World Zionist Organization and the organizations signatory hereto have agreed as follows:

I. THE WORLD ZIONIST ORGANIZATION AND THE JEWISH AGENCY FOR ISRAEL

- A. The World Zionist Organization (WZO) agrees to the reconstitution of The Jewish Agency for Israel (Agency) in the manner herein provided. From the effective date of this Agreement, as herein provided, "The Jewish Agency for Israel" shall mean the body organized in accordance with the provisions of this Agreement.
- B. The World Zionist Organization and its institutions will continue as the organs of the Zionist Movement for the fulfillment of Zionist programs and ideals and, save as hereinafter stated, will continue to perform the functions and tasks enumerated in the said Law of Status and the said Covenant.
- C. Except with respect to activities and facilities which the Government of Israel is by law obliged to furnish, the Agency will undertake the following functions:
1. Immigration to and absorption of immigrants in Israel.
 2. Social Welfare services in connection with immigration and absorption.
 3. Health services in connection with immigration and absorption.
 4. Education.
 5. Institutions of higher learning and research.
 6. Youth care and training.
 7. Absorption in agricultural settlement.
 8. Immigrant housing.
 9. Such other functions and tasks as the Agency may deem necessary or advisable.
- D. The functions and tasks and programs administered by the Agency or to which it may contribute funds, shall be only such as may be carried on by tax-exempt organizations.

- E. As of the effective date of this Agreement, the WZO and The Jewish Agency for Israel shall each have their own governing bodies.

II. THE RECONSTITUTED JEWISH AGENCY FOR ISRAEL

- A. The Jewish Agency for Israel, as reconstituted in pursuance of this Agreement, shall consist of the designees of the following:

1. The World Zionist Organizations.
2. The organizations signatory to this Agreement.
3. Such other organizations, as referred to in paragraph 5 of the Preamble, as may from time to time be given the right by the Assembly to appoint designees.

- B. The governing bodies of the Agency shall be: the Assembly, the Board of Governors, and the Executive.

C. The Assembly

1. (a) The Assembly shall be designated as follows:
 - (i) 50% of the total number of members shall be designated by the WZO on behalf of itself and the Jewish people in Israel;
 - (ii) 30% of the total number of members shall be designated by the United Israel Appeal Inc., New York, as representing the Jewish Community in the United States;
 - (iii) 20% of the total number of members, to represent Jewish communities in countries and areas other than Israel and the United States, to be designated in accordance with the distribution set forth in Annex A attached hereto and made a part hereof.
- (b) The first Assembly shall consist of not more than 296 members, designated as follows:-
 - (i) 50% of the total number of members, namely 148 persons, shall be designated by the WZO;
 - (ii) 30% of the total number of members, namely 89 persons, shall be designated by, or under the authority of the Board of Trustees of the United Israel Appeal, Inc.;

- (iii) 20% of the total number of members, namely 59 persons, to represent Jewish communities in countries other than Israel and the United States, shall be designated in accordance with the distribution set forth in the schedule as Annex A attached hereto and made a part hereof.
- (c) (i) The presence of 30% of each of the groups referred to in sub-sections (a) (i), (ii) and (iii) of this paragraph shall be required to constitute a quorum of the Assembly.
- (ii) For the purposes of the first Assembly a quorum shall consist of 44 members of the group referred to in sub-section (b)(i), 27 members of the group referred to in sub-section (b) (ii) and 18 members of the group referred to in sub-section (b) (iii), respectively, of this paragraph.
2. Each member of the Assembly, designated as above, shall have one vote, shall serve for a period of one year or until the next annual meeting of the Assembly, and shall serve without compensation. A member of the Assembly is eligible for redesignation to serve succeeding terms.
3. Each designating organization shall submit the list of its designees to the Secretary of the Agency at least one month prior to the date set for the ensuing meeting of the Assembly.
4. (a) The Assembly shall meet once a year at a time and place determined by the Board of Governors.
- (b) A special meeting of the Assembly may be convened for such purposes and at such time and place as the Board of Governors shall determine. The Chairman of the Assembly and the Chairman of the Board of Governors, acting jointly, may convene a special meeting of the Assembly at such time and place as they shall determine.
5. The function of the Assembly shall be:
- To receive reports from the Board of Governors and the Executive;
 - To review needs and programs;
 - To determine basic policies;
 - To consider and act upon budgets submitted by the Board of Governors;
 - To elect the Officers.
6. The officers elected by the Assembly from among its members shall be its Chairman, the Treasurer, and such additional officers as the Assembly may determine from time to time. A committee on nominations, composed in the same

proportion as the Assembly, shall be appointed to recommend candidates for the office of Chairman, Treasurer, and such other offices as the Assembly may determine.

7. The Assembly shall establish its own rules of procedure.

D. The Board of Governors.

1. The Board of Governors shall manage the affairs of the Agency and control its activities. Between meetings of the Assembly, the Board of Governors shall have full power to act for the Agency, and may fix policy, provided that its acts and decisions are not inconsistent with previous decisions or instructions of the Assembly.
2. The Board of Governors shall elect the members of the Executive.
3. (a) The Board of Governors shall consist of persons elected by the Assembly from among its members, as follows:
 - (i) 50% from among the members of the Assembly designated by the WZO;
 - (ii) 30% from among the members of the Assembly designated by the United Israel Appeal Inc.;
 - (iii) 20% from among the members of the Assembly designated by organizations outside of Israel and the United States, substantially in the manner set forth in Annex B attached hereto and made a part hereof.
- (b) The first Board of Governors shall consist of 38 members as follows:-
 - (i) 19 from among the members of the Assembly designated by the WZO;
 - (ii) 11 from among the members of the Assembly designated by the United Israel Appeal Inc.;
 - (iii) 8 from among the members of the Assembly designated by organisations other than the WZO and United Israel Appeal Inc., as set forth in Annex B attached hereto and made a part hereof.
- (c) The first Board of Governors shall serve until the meeting of the Assembly held following the next ensuing Zionist Congress, and until such Assembly designates a Board of Governors to succeed the one designated by the first Assembly.

(d) A special meeting of the Board of Governors may be convened for such purposes and at such time and place as the Chairman of the Board of Governors may determine. The Chairman of the Board of Governors shall convene a special meeting of the Board of Governors upon the written request of 20% of the membership of the Board of Governors.

(e) The presence of 40% of the group referred to in sub-section (a) (i) above and 40% of the combined total of the groups referred to in sub-sections (a) (ii) and (a)(iii) above shall constitute a quorum of the Board of Governors. In the absence of such a quorum the Chairman of the Board of Governors shall adjourn the meeting for 48 hours. At such adjourned meeting the presence of 30% of the total membership of the Board of Governors shall constitute a quorum.

4. Except as provided in sub-section 3(c) of this Article, members of the Board of Governors shall serve for a period of four years, provided, however, that the members designated pursuant to the provisions of sub-section 3(a)(iii) above shall serve for a period of two years so that the principle of rotation may be applied as equitably as possible with respect to members of the Board of Governors so designated.
5. (a) A member of the Board of Governors is eligible for redesignation to serve succeeding terms. Members of the Board of Governors shall receive no compensation for their service as such.

(b) Any vacancy due to inability or unwillingness to serve, occurring between meetings of the Assembly, may be filled by the Board of Governors from among the members of the Assembly who were designated by the organization which had designated the member whose place became vacant.
6. The Board of Governors shall meet not less than three times in each calendar year, at such time and place as it shall determine. One of such three meetings shall be held immediately preceding and/or immediately following the annual meeting of the Assembly.
7. The Board of Governors shall elect its own chairman by a majority vote of its members at the first meeting held after the Board of Governors shall have been designated by the Assembly. A nominating Committee selected by the Board of Governors for this purpose shall make recommendations for the office of Chairman. The Chairman of the Board of Governors shall serve for a period of one year. The Board of Governors shall elect its chairman at each of its meetings following the annual meeting of the Assembly.

The Chairman of the Assembly shall convene the

first meeting of the Board of Governors and shall act as its temporary chairman until a chairman is duly elected by the Board of Governors and assumes his office.

8. The Board of Governors shall establish its own rules of procedure.

E. The Executive.

1. The Executive shall be responsible for the day-to-day operations of the Agency, subject to the control of the Board of Governors. The Executive shall act as a collective body, with collective responsibility.
2. The principal office of the Executive shall be located in Jerusalem. The Executive may, with the approval of the Board of Governors, establish and maintain offices in other parts of the world, as may be required for the efficient conduct of the affairs of the Agency.
3. (a) The Executive shall consist of persons elected ad personam by the Board of Governors to serve for a period of four years. The Executive shall consist of the following persons:

The Chairman of the Assembly, who shall also be the Chairman of the Executive;

The Treasurer;

The heads (2) of the Department of Immigration and Absorption;

The head of the Department of Agricultural Settlement;

The head of the Department of Youth Care and Training ("Aliyat Hanoar");

Three members of the Board of Governors not designated by WZO (two of whom shall be designated by United Israel Appeal Inc.);

The General Chairman of the United Jewish Appeal in the United States;

The Chairman of Keren Hayesod.

(b) Members of the Executive may serve as such only as long as they are members of the Assembly.

(c) Members of the Executive may be compensated for their services as such in a manner determined by the Board of Governors.

(d) The Board of Governors may, in its discretion, appoint associate members of the Executive who shall

serve on such terms, for such periods of time, and perform such duties and functions as the Board of Governors may from time to time determine. Not more than three associate members shall serve at any given time.

(e) Associate members shall have the right to attend all meetings of the Executive, but they shall not be entitled to vote.

4. The Executive is empowered to enter into contracts, to borrow funds, to issue evidences of indebtedness, to execute any document in the name and on behalf of the Agency and generally to represent the Agency and to act on its behalf. The Executive may delegate one or more of its members to act on its behalf in respect of any of the foregoing matters.
5. The Executive shall prescribe its own rules of procedure.

F. Finances, Budgets and Contractual Commitments.

1. The financial resources at the disposal of the Agency for the conduct of its affairs shall be derived from allocations made to its programs and functions by the parties to this Agreement, from fund-raising activities for the benefit of its programs and functions by Keren Hayesod, and others, from income on investments, from collection of debts, from grants by the Government of Israel, from borrowings, and from such other funds as it may receive by grant or otherwise from other sources.
2. All expenditures by and on behalf of the Agency shall be in pursuance of a budget, which shall be determined in the following manner:
 - (a) The Executive shall each year prepare and submit to the Board of Governors the following:
 - (i) an estimate of receipts from all sources for the ensuing fiscal year;
 - (ii) a "budget of needs" for the ensuing fiscal year;
 - (iii) a detailed budget of recommended expenditures during the ensuing fiscal year.
 - (b) The Board of Governors shall review, examine and, if it sees fit, change or amend the estimate of receipts and the budget of expenditures submitted by the Executive, and shall determine the budget for the ensuing fiscal year, subject only to such changes and amendments as may be recommended by the Assembly at its next ensuing meeting.

ANNEX "A"

PROPOSED DISTRIBUTION OF MEMBERS OF THE ASSEMBLY
FROM COUNTRIES OTHER THAN ISRAEL AND THE UNITED STATES

<u>Committee</u>	<u>No. of Delegates</u>
1. Argentina	6
2. Australia	2
3. Austria	1
4. Belgium	2
5. Brazil	3
6. Canada	5
7. Central America	1
8. Chile	2
9. Colombia	1
10. Denmark	1
11. France	5
12. Great Britain	7
13. Holland	1
14. Iran	2
15. Italy	2
16. Mexico	2
17. Peru	1
18. Rhodesia	1
19. South Africa	4
20. Spain	1
21. Sweden	1
22. Switzerland	2
23. Uruguay	1
24. Venezuela	1
25. West Germany	1
	<u>56</u>
To add:	<u>3</u>
	<u>59</u>

ANNEX "B"

PROPOSED DISTRIBUTION OF MEMBERS
OF THE BOARD OF GOVERNORS

U.S.A.	11	
England	2	
Canada	1	
Western Europe	2	(1 for France, and 1 - in rotation - for the following countries: (Switzerland, Belgium, Holland, Italy and Iran, which for these purposes shall be deemed a part of Western Europe).
South America	2	(1 for Argentina, and 1 - in rotation - for the following countries: (Brazil, Mexico, Uruguay and Chile.)
South Africa and Australia	1	(In rotation - the first to represent South Africa).

Highlights of Agreement

**FOR THE
RECONSTITUTION
OF THE
JEWISH AGENCY
FOR ISRAEL**

PREPARED
for the meeting of
THE PLANNING COMMITTEE FOR THE
RECONSTITUTION OF THE
JEWISH AGENCY FOR ISRAEL

August 24-27, 1970. Jerusalem

The "Agreement for the Reconstitution of the Jewish Agency" was approved in February 1970 by the Zionist General Council in Jerusalem and by the United Israel Appeal in the United States. The agreement is the result of discussions and negotiations between the World Zionist Organization, the United Israel Appeal in the United States, Keren Hayesod and leading fundraising bodies throughout the world. The significance of the word "reconstitution", emerges from a cursory review of the history of the Jewish Agency.

The term Jewish Agency has its origin in the Palestine Mandate of the Council of the League of Nations promulgated in 1922. Article IV of this document states :

"An appropriate Jewish Agency shall be recognized as a public body for the purpose of advising and cooperating with the administration of Palestine..

The Zionist Organization... shall be recognized as such agency. It shall take steps... to secure the cooperation of all Jews who are willing to assist in the establishment of the Jewish National Home."

On this basis, negotiations were conducted between the leadership of the World Zionist Organization and major Jewish communities which led to the establishment of the Jewish Agency for Palestine on August 11, 1929 in Zurich.

The Agency Council met biennially through August 1937. The smaller Administrative Committee functioned until September 1939 when World War II began. From 1943, the Executive of the World Zionist Organization acted also as the Executive of the Jewish Agency. Yet the non-Zionists never left the body officially nor was the Agency as such ever dissolved.

With the establishment of the State of Israel in 1948 the political and certain other functions of the Jewish Agency became the responsibility of the Government of the sovereign State of Israel.

In 1952, the Knesset enacted the "World Zionist Organization-Jewish Agency (Status) Law, 5713-1952" which authorized the World Zionist Organization, acting also as the Jewish Agency, to continue to deal with immigration, absorption and settlement projects in the State of Israel.

The law of Status anticipated that the World Zionist Organization-Jewish Agency will endeavor to enlarge its basis so as to effect greater unity among the Jews of the world and to bring about greater effectiveness in the performance of the foregoing tasks. Accordingly, the World Zionist Organization, after the Six-Day War, initiated negotiations with leading fund-raising organizations in the Free World with a view to the reconstitution of the Jewish Agency on a wider basis so as to ensure their active

participation in the planning and the operation of the Jewish Agency in its work of immigration, absorption, resettlement and rehabilitation.

The new arrangement provides for a separation of structures and functions between the World Zionist Organization and the Jewish Agency for Israel. The Jewish Agency for Israel will have its own governing bodies, namely an Assembly, a Board of Governors, and an Executive, with their respective functions and responsibilities as distinguished from the Governing Bodies of the World Zionist Organization.

Thus, the Reconstituted Agency will undertake the following functions :

1. Immigration to and absorption of immigrants in Israel.
2. Social welfare services in connection with immigration and absorption.
3. Health services in connection with immigration and absorption.
4. Education.
5. Higher learning and research.
6. Youth care and training.
7. Absorption in agricultural settlement.
8. Immigrant housing.
9. Such other functions and tasks as the Agency may deem necessary or advisable.

The World Zionist Organization shall continue to perform all other functions and tasks enumerated in the Law of Status and the Covenant as follows :

Organization and Public Information; Aliya;
Education in the Diaspora; Youth and Hechalutz;
Publications; Cultural Institutions; Activities
of the Keren Kayemeth Le-Israel (The Jewish
National Fund).

The principle of partnership is built into the agreed-upon structure of the three governing bodies of the Reconstituted Agency.

1. The Assembly

The 296 members of the Assembly shall be designated by the World Zionist Organization (50%), the United Israel Appeal (30%) and the leading fund-raising bodies in Jewish communities outside the United States (20%).

The Assembly, meeting at least once a year, will determine basic policies and decide upon budgetary proposals submitted by the Board of Governors whose members will be elected by the Assembly (P.5, para 5).

2. The Board of Governors

The percentage breakdown of the Board of Governors is the same as that of the Assembly. This means that for the first Board of Governors which will

consist of 38 members, 19 will be from among the members of the Assembly designated by the World Zionist Organization; 11 from among the members of the Assembly designated by the United Israel Appeal Inc., and eight from among the members of the Assembly designated by other organizations.

Members of the Board of Governors, elected for a period of four years, will meet at least three times in each calendar year to manage the affairs of the Agency in between meetings of the Assembly. The Board of Governors, in addition to other responsibilities, elects the members of the Executive (P. 5. para 1).

3. The Executive

The following persons, elected ad personam for a period of four years, will serve on the Executive of the Jewish Agency :

The Chairman of the Assembly, who shall also be the Chairman of the Executive;

The Treasurer;

The heads (2) of the Department of Immigration and Absorption;

The head of the Department of Agricultural Settlement;

The head of the Department of Youth Care and Training (Aliyat Hanoar);

Three members of the Board of Governors not designated by the World Zionist Organization (two of whom shall be designated by United Israel Appeal Inc.);

The General Chairman of the United Jewish
Appeal in the United States;

The Chairman of Keren Hayesod.

The Board of Governors is also empowered to appoint associate members of the Executive (no more than three) for such purposes and periods of time as the Board may determine. Associate members have the right to attend all meetings of the Executive but they are not entitled to vote.

The Executive, whose principal office will be Jerusalem, is responsible for the day-to-day operation of the Agency, subject to the control of the Board of Governors.

The budget of the Reconstituted Agency shall be determined in the following manner : The Executive shall each year draft a detailed budget of recommended expenditures for the ensuing fiscal year. The Board of Governors shall review the draft budget and is empowered to make changes or amendments in the preparation of the final draft which is submitted to the next meeting of the Assembly for approval.

JEWISH AGENCY FOR ISRAEL

THE EXECUTIVE (eleven members)

Chairman of the Assembly, becomes Chrmn. of Executive
 The Treasurer
 Heads (2) of Department of Immigration and Absorption
 Head of Department of Agricultural Settlement
 Head of Department of Youth Care and Training
 Three members of Board of Governors not designated
 by WZO (two to be designated by United Israel Appeal)
 The General Chairman of the United Jewish Appeal (USA)
 The Chairman of Keren Hayesod

THE BOARD OF DIRECTORS (thirty-eight members)

Leading fund raising
 bodies in Jewish
 communities outside
 the United States
 designate 20% of the
 Board's membership.
 (8 members of the
 Board)

United Israel
 Appeal, Inc.
 designates
 30% of the
 Board's membership.

 (11 members of the
 Board)

World Zionist
 Organization
 designates
 50% of the
 Board's membership.

 (19 members of the
 Board)

THE ASSEMBLY (296 members)

Leading fund raising
 bodies in Jewish
 communities outside the
 United States designate
 20% of the Assembly's
 membership.
 (59 members of the Assembly)

United Israel Appeal, Inc.
 designates 30%
 of the Assembly's membership.

 (89 members of the Assembly)

World Zionist
 Organization
 designates 50%
 of the Assembly's
 membership.

 (148 members of the
 Assembly)

ADMINISTRATION OF THE EXECUTIVE

Members elected ad personam by the Board of Directors for four year terms.

Members serve only as long as they are members of the Assembly.

Compensation determined by the Board of Governors.

Board of Governors has option to appoint non-voting associate members of the Executive.

Principal office of the Executive located in Jerusalem (the Executive may, with approval of the Board of Directors, establish and maintain offices in other parts of the world).

The Executive proscribes its own rules of procedure.

EXECUTIVE

FUNCTIONS OF THE EXECUTIVE

Responsible for day-to-day operations of the Agency, subject to control of the Board of Governors.

Empowered to enter into contracts, to borrow funds, to issue evidences of indebtedness, to generally represent the Agency and act on its behalf.

Prepares and submits the following to the Board of Governors each year:

- (1) an estimate of receipts from all sources for the ensuing fiscal year.
- (2) a "budget of needs" for the ensuing fiscal year.
- (3) a detailed budget of recommended expenditures during the ensuing fiscal year.

Acts with collective responsibility as a collective body.

ADMINISTRATION OF THE BOARD OF GOVERNORS

Members of the Board of Governors serve for four years.

Members can be re-designated to serve succeeding terms.

Members of the Board of Governors receive no compensation as such.

The Board of Governors meets three times a year.

Special meetings of the Board of Governors may be convened by the Chairman of the Board or upon written request of 20% of the Board's membership.

The Board of Governors elects its own Chairman of the Board by majority vote of the Board.

Vacancies on the Board of Governors are filled by the Board members selecting an appropriate replacement from the members of the Assembly.

The Board of Governors establishes its own rules of procedure.

BOARD OF GOVERNORS

FUNCTIONS OF THE BOARD OF GOVERNORS

Manages the affairs of the Agency and controls the activities.

Has full power to act for the Agency and may fix policies of the Agency between meetings of the Assembly.

Determines the budget for each year based on review of budget recommendations submitted by the Executive.

May increase, reduce, change, or amend the budget when such changes are deemed necessary in their judgment (subject only to recommendations by the Assembly)

Elects members of the Executive.

ADMINISTRATION OF THE ASSEMBLY

Each member serves for one year or until the next annual meeting of the Assembly.

Each member can be re-designated to serve succeeding terms.

Each member has one vote.

Each member serves without compensation.

The Assembly meets once a year at a place designated by the Board of Governors.

Special meetings of the Assembly can be convened by the Board of Governors.

Officers of the Assembly are elected from among its members: Chairman of the Assembly, Treasurer, and others as determined by the Assembly.

Assembly establishes its own rules of procedure.

ASSEMBLY

FUNCTIONS OF THE ASSEMBLY

To determine basic policies of the Jewish Agency.

To review the needs and programs of the Jewish Agency.

To receive reports from the Board of Governors and the Executive.

To consider and act upon budgets submitted by the Board of Governors.

To elect the Officers of the Assembly.

COVENANT
BETWEEN

FILED

THE GOVERNMENT OF ISRAEL (HEREAFTER THE GOVERNMENT)
AND

THE ZIONIST EXECUTIVE CALLED ALSO THE EXECUTIVE
OF THE JEWISH AGENCY (HEREAFTER THE EXECUTIVE)

228 1389

Situations Section
DEPARTMENT OF JUSTICE

Entered into this day, in accordance with the Zionist

Organization-Jewish Agency Status Law, 1952;

Functions of Executive

1. The function of the Zionist Executive which are governed by this Covenant are: The¹ organizing of immigration abroad and the transfer of immigrants and their property to Israel; ² participation in the absorption of immigrants in Israel; Youth Immigration; ³ agricultural settlement in Israel; ⁴ the acquisition and amelioration of land in Israel by institutions of the Zionist Organization, the Keren Kayemeth Le Israel and the Keren Hayesod; ⁵ participation in the establishment and the expansion of development enterprises in Israel; ⁶ the encouragement of private capital investments in Israel; ⁷ assistance to cultural enterprises and institutions of higher learning in Israel; ⁸ the mobilization of resources for financing these functions; ⁹ the coordination of the activities in Israel of Jewish institutions and organizations acting within the sphere of these functions with the aid of public funds.

Activities under the Law

2. Any function carried out in Israel by the Executive or on its behalf hereunder shall be executed in accordance with the laws of Israel and such administrative regulations in force from time to time as govern activities of governmental authorities whose functions cover or are affected by the activity in question.

Immigration

3. In organizing immigration and in the handling of immigrants, the Executive shall act in pursuance of a programme agreed upon with the Government or authorized by the Coordinating Board (see Para. 8).
Immigrants will require visas in accordance with the Law of Return 5711-1950.

Coordination Between Institutions

4. The Executive shall, with the consent of the Government, coordinate the activities in Israel of Jewish institutions and organizations which act within the sphere of the functions of the Executive.

Transfer of Functions

5. The Executive may carry out its functions alone, through its existing institutions, or such as it may establish in future, and it may also obtain the participation of other institutions in Israel, provided that it may not transfer any of its powers or rights under this Covenant without the consent of the Government; and the Executive shall not authorize any body or institution to carry out its functions, in whole or in part, except upon prior notice to the Government.

Mobilization of Resources

6. The Executive shall be responsible for the mobilization of the financial and material resources required for the execution of its functions, by means of the Keren Hayesod, the Keren Kayemeth La Israel and other funds.

Legislation

7. The Government shall consult the Executive in regard to legislation specially affecting the functions of the Executive before such legislation is submitted to the Knesset.

Coordination Board

8. For the purpose of coordinating activities between the Government and the Executive in all spheres to which this Covenant applies, there shall be established a Coordination Board (hereafter called the Board). The Board shall be composed of an even number of members, not less than four, half of whom shall be members of the Government appointed by it, and half of whom shall be members of the Executive appointed by it. The Government and the Executive shall be entitled from time to time to replace the members of the Board by others from among their members.

Its Activities

9. The Board shall meet at least once a month. It may appoint sub-committees consisting of members of the Board or also non-members. The Board shall from time to time submit to the Government and the Executive reports of its deliberations and recommendations. Subject as aforesaid, the Board shall make its own rules of procedure.

Permits and Facilities

10. The Government will see to it that its duly authorized agencies shall issue to the Executive and its institutions all permits and facilities required by law for activities carried out in accordance with this Covenant so as to facilitate the Executive's functions.

Relief from Taxes

11. Gifts and legacies to the Executive or to any of its institutions shall be exempt from Inheritance Tax. All other problems connected with the exemption of the Executive, its Funds and its other institutions from payment of taxes, customs duties and other governmental levies, shall be the subject of a special arrangement between the Executive and the Government. This arrangement shall be formulated in an annex to this Covenant within eight months, as an integral part thereof, and shall be effective as from the date of signature of this Covenant.

Alterations

12. All proposals for alterations or amendments to this Covenant, or any addition thereto, must be made in writing and no alteration or amendment of this Covenant, or addition thereto, shall be made except in writing.

Notifications

13. Any notice to be sent to the Government shall be sent to the Prime Minister, and any notice to be sent to the Executive shall be sent to the Chairman of the Executive in Jerusalem.

Date of Coming into force

14. This Covenant shall come into force on the date of signature.

IN WITNESS WHEREOF, etc.

SIGNED - Jerusalem
July 26, 1954

FOR THE GOVERNMENT

MOSHE SHARITT,
Prime Minister

FOR THE ZIONIST EXECUTIVE

BERL LOCKER

DR. NAHUM GOLDMANN
CHAIRMAN

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Appendix to the Covenant Between
the Government and the Executive
of the Jewish Agency ¹

REGISTRATION
In accordance with section 11 of the Covenant between
the Government of Israel (hereinafter "the Government") and
between the Executive of the Jewish Agency for Israel (here-
inafter "the Executive") made on 25 Tammuz 5714 (26 July,
1954), as amended, this Appendix was signed this day:

1. In this Appendix - "The Executive" - includes the
Jewish National Fund and Keren Hayesod - United Israel Appeal.

Amendment
5718

2. The Executive shall be exempt from taxes and the other
government mandatory payments that are specified hereafter
subject to such limitations and conditions as follows:

(a) From municipal property tax under the Municipal
Property Tax Ordinance 1940, and from agricultural property
tax under the Agricultural Property Tax Ordinance, 1942, for
all property that is not leased thereby and was not given to
another party in any manner whatsoever.

(b) From fees under the Land Transfer (Fees) Regula-
tion 5716-1956 and under the Cooperative Houses Regulations,
5713-1953.

(c) From land appreciation tax under the Land Apprec-
iation Tax Law, 5709-1949.

(d) From the tax under the War Damage Compensation
Tax Law, 5711-1951, with respect to those properties of the
Executive that were not leased and not given to another party
in any manner whatsoever, and in respect whereof the Execu-
tive requests the exemption thereof from the tax. If the Ex-
ecutive requests an exemption for any property as aforesaid,
it will not be entitled to compensation in respect of such
property from the fund under the War Damage Compensation Law,
as is set out in the War Damage Compensation Tax (Payment of
Damages) Regulations 5713-1953.

(e) From compulsory loans under the Compulsory Loan
Law, 5713-1953.

(f) From registration fees and capital fees under
sections 1(1), 1(2), 1(3), 1(8), 1(9) and 1(10) of the Com-
panies (Fees) Order 5713-1953, provided:

(i) that the exemption from the fee as aforesaid
in respect of a company having a share capital shall apply
only with respect to that portion of the fee which bears the
same ratio to the total fee as is the ratio of the fraction
of the share capital attributable to the Executive in respect
whereof such fee is paid to the entire sum of the said share
capital.

(ii) that the aforesaid exemption from the fee
in respect of a company that does not have a share capital
shall apply only to that portion of the fee the amount where-
of is equal to the amount of the fee divided by the number of

1 Yalkut Pirsumim 549, 5717 (1.8.1957), p. 1204.

2 Amendment: Yalkut Pirsumim: 595, 5718 (17.4.1958) p. 831.

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REGISTRATION SECTION

- 2 -

members for whom the fee is paid and multiplied by the number of members who are entitled to the exemption under this Appendix.

(g) (i) From purchase tax under the Purchase Tax Law, 5712-1952 - in respect of merchandise to the Executive: the tax rate wherefor exceeds 10%, and in respect of the importation of all merchandise, provided that the merchandise is designated for the execution of its duties;

(ii) From customs duties under the Customs Tariff and Exemptions Ordinance, 1937 - in respect of all merchandise imported by the Executive for development purposes and in respect whereof the Executive has notified the Director of Customs at the time of application for a licence to import the said merchandise, or if the merchandise does not require an import licence, - prior to the order, of the import of the merchandise.

(iii) With reference to merchandise in respect whereof an exemption has been given under this section and which the Executive has transferred to another party or which has been transferred for a different use or purpose other than that wherefor an exemption was granted, the Executive shall be liable for payment of the tax commencing from the time of the transfer.

(h) From income tax and company profits tax, under the Income Tax Ordinance, 1947, and from any other tax imposed on income - with respect to all income of the Executive; provided that the exemption shall not apply to income from dividends or interest on debentures paid to the Executive by a company which deals in trade, works or any enterprise unless such company deals in trade, works or any enterprise designed for settling the land or absorption of immigrants.

(i) From stamp duty under the Stamp Duty Ordinance - with respect to the following documents:

(1) Debentures issued by the Executive in respect whereof stamp duty applies under item 26 of the Schedule to the Stamp Duty Ordinance, when a guarantee for their redemption is secured by guarantee of the State of Israel;

(2) The transfer of all stocks and shares in respect whereof stamp duty applies under item 37(c) of the Schedule to the Stamp Duty Ordinance and in respect whereof the Executive is transferee;

(3) Receipts given by the Executive;

(4) Guarantees under item 27 of the said Schedule when the guaranteed party is the Executive or guarantees given by the Executive when the guaranteed party is a body supported by the Executive.

(j) From licence fees under the Transport Ordinance in respect of all vehicles of the Executive which are not private motor vehicles as defined in the Transport Ordinance.

3. (a) The exemptions granted to the Executive under