Introduction to the Law of Israel

Edited by

Amos Shapira (Editor) Professor of Law

and

Keren C. DeWitt-Arar (Associate Editor)

Juris Doctor

The Cegla Institute for Comparative and Private International Law Faculty of Law, Tel Aviv University

1995
Kluwer Law International
The Hague · London · Boston

Introduction to the Law of Israel

Edited by

Amos Shapira (Editor) Professor of Law

and

Keren C. DeWitt-Arar
(Associate Editor)
Juris Doctor

The Cegla Institute for Comparative and Private International Law Faculty of Law, Tel Aviv University

> 1995 Kluwer Law International The Hague • London • Boston

Kluwer Law International P.O. Box 85889, 2508 CN The Hague The Netherlands

Tel.: +31 70 3081560 Fax: +31 70 3081515 Distribution in the USA and Canada 675 Massachusetts Avenue Cambridge, MA 02139 / USA

Tel.: +1 617 354 0140 Fax: +1 617 354 8595

ISBN 90 6544 8357

© 1995, Kluwer Law International, The Hague, The Netherlands

Kluwer Law International incorporates the publishing programmes of Graham & Trotman Ltd., Kluwer Law and Taxation Publishers and Martinus Nijhoff Publishers.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of the publisher.

Printed and bound by Antony Rowe Ltd, Eastbourne

INTRODUCTION TO THE LAW OF ISRAEL

General Editors of the Series: Tuğrul Ansay and Don Wallace, Jr.

Introduction to Turkish Law (third edition 1987) Introduction to Swiss Law (second edition 1995) Introduction to Greek Law (second edition 1993) Introduction to the Law of the United States (1992)

Introduction to the Law of Israel (1994)

List of Contributors

Editor

AMOS SHAPIRA

Professor of Law, Faculty of Law, Tel Aviv University.

M. Jur., Hebrew University; M.C.L., Columbia University; J.S.D., Yale University; Director, Cegla Institute for Comparative and Private International Law, Tel Aviv University; Editor, Tel Aviv University Studies in Law; Incumbent, the Lubowski Chair of Law and Biomedical Ethics; Distinguished Professor, La Universidad Nacional Autonoma de Mexico; Visiting Professor at various universities in the United States and Europe; Deputy President, the Israel Press Council. Subjects: Private International Law, Law and Biomedical Ethics, Constitutional Law.

Address: 5 Brazil St., Ramat Aviv, Tel Aviv, 69460, Israel (tel.: 972-3-642-6731).

Associate Editor

KEREN C. DEWITT-ARAR

Cegla Institute for Comparative and Private International Law, Faculty of Law, Tel Aviv University.

B.A., University of Texas; J.D., American University; Associate Editor, Tel Aviv University Studies in Law (1992–1994); Research Assistant, Israel Yearbook on Human Rights (1989–1992); Member of the Washington, D.C., and Pennsylvania Bars.

Address: P.O. Box 617, Kefar Vitkin, 40200, Israel.

Authors

RUTH BEN-ISRAEL

Professor of Law, Faculty of Law, Tel Aviv University.

LL.B., Hebrew University, Jerusalem; LL.M., Hebrew University, Jerusalem; Ph.D., Hebrew University, Jerusalem; Visiting Scholar, International Institute of Labour Studies ILO (1979); Visiting Professor, New York University School of Law (1983–1984); External Collaborator ILO (1984–1986); Chairperson of the Israeli Labour Code Committee (1978–1980); Overseas Correspondent of USA, NAA (since 1984); Member of ISLLSS International Executive Committee (since 1985); Special Adviser, Labour and Welfare Committee of Parlia-

ment (1985–1992); Member of IAB of *International Encyclopaedia of Laws* (since 1989); Dean, Faculty of Law, Tel Aviv University (1990–1991); Member of IIRA International Executive Committee. Subjects: Labour Law, Social Security, and Employment Discrimination.

Address: 8 Amzaleg St., Tel Aviv, 65148, Israel (tel.: 972-3-510-0796).

MIGUEL DEUTCH

Senior Lecturer, Faculty of Law, Tel Aviv University.

LL.B., Faculty of Law, Tel Aviv University; Ph.D., Hebrew University; Attorney at Law, Member of the Israel Bar (since 1982); Editor, *HaPraklit*, Published by the Israel Bar (since 1989). Subjects: Contracts, Property Law, and Intellectual Property Law.

Address: 6-8 Alumot St., Givatayim, Israel (tel.: 972-3-323-924; 972-3-

640-8106).

STEPHEN GOLDSTEIN

Edward S. Silver Professor of Civil Procedure, Faculty of Law, Hebrew University, Jerusalem.

B.A., University of Pennsylvania; J.D., University of Pennsylvania; Former Professor of Law, University of Pennsylvania (1966–1974); Former Dean, Faculty of Law, Hebrew University, Jerusalem (1987–1990); Visiting Professor, University of California at Berkeley (1970–1971); Visiting Fellow Commoner, Trinity College, and Visiting Professor of Law Faculty, Cambridge University (1984); Jay P. Altmeyer Visiting Distinguished Professor of Law, Tulane Law School (1991); Visiting Distinguished Professor, Faculty of Law, Hong Kong University (1993). Subjects: Civil Procedure, Education Law, Religion and Law, Minors and the Law, American Law.

Address: 3 Disraeli Street, Jerusalem, 92222, Israel (tel.: 972-2-618-146).

YITZHAK HADARI

Associate Professor of Law, Faculty of Law, Tel Aviv University.

LL.B., LL.M., Hebrew University, Jerusalem; LL.M., S.J.D., University of Michigan; Attorney at Law, Tel Aviv; Former Adviser of the Minister of Justice (1974–1975); Visiting Professor, Stanford University School of Law (1979); Visiting Professor, University Oklahoma School of Law (1978). Subjects: Taxation Law (individual and corporate), Corporation Law, Corporate Reorganization, International Tax, International Investments.

Address: Faculty of Law, Tel Aviv University, Ramat Aviv, Tel Aviv,

69978, Israel (tel.: 972-3-640-8344; 972-3-540-6064).

IRIT HAVIV-SEGAL

Lecturer, Faculty of Law, Tel Aviv University.

LL.B., Hebrew University, Jerusalem; LL.M., Yale Law School; S.J.D., Yale Law School.

Address: Faculty of Law, Tel Aviv University, Ramat Aviv, Tel Aviv, 69978, Israel.

MORDECHAI KREMNITZER

Professor of Law, Faculty of Law, Hebrew University, Jerusalem.

LL.B., Hebrew University, Jerusalem; Ph.D. in Law, Hebrew University, Jerusalem; Dean, Faculty of Law, Hebrew University, Jerusalem (1990–1993), Fellow Researcher at the Max Planck Institut fur Strafrecht, Freiberg (1983–1984, 1988–1989). Subjects: Criminal Law, Military Law.

Address: 42 Shimoni St., Jerusalem, 92623, Israel (tel.: 972-2-788-741).

DAVID KRETZMER

Professor of Law, Faculty of Law, Hebrew University, Jerusalem.

LL.B., Hebrew University, Jerusalem; LL.M., Hebrew University, Jerusalem; Dr. Jur., York, Canada; Fellow, Institute for Advanced Engineering Studies, M.I.T. (1978–1979); Ben-Gurion Visiting Professor of Law, University of Southern California (1979, 1984–1985); Visiting Professor of Law, Tulane University (1989); Academic Visitor, University College, Oxford (1990); Member of the Israel Bar. Subjects: Constitutional Law, Administrative Law, Human Rights, Environmental Law.

Address: Faculty of Law, Hebrew University, Mount Scopus, Jerusalem, Israel.

NATAN LERNER

Associate Professor, Faculty of Law, Tel Aviv University.

Advocate, Buenos Aires; Dr. in Law and Social Sciences, Buenos Aires; Visiting Professor at several Latin American Universities. Subjects: International Law, Human Rights, Racial and Religious Discrimination, Group Rights. Address: 52 Hamaagal St., Kiryat Ono, 55402, Israel (tel.: 972–3–340495).

SHALOM S. LERNER

Dean and Associate Professor of Law, Faculty of Law, Bar Ilan University.

LL.B., Bar Ilan University; S.J.D., Jerusalem; Visiting Scholar, Harvard Law School (1980); Lecturer, Management Faculty, Tel Aviv University (1981–1983); Member of the Israel Bar. Subjects: Commercial Law, Banking Law, Property Law.

Address: 8 Mendelson Street, Petah Tikva, Israel.

KENNETH MANN

Associate Professor of Law, Faculty of Law, Tel Aviv University; Director, The Prof. Dr. Raphael Taubenschlag Institute of Criminal Law.

B.A., University of California, Berkeley (1970); M.A., Center for the Study of Law and Society (1974); J.D., Boalt Hall (1975); Ph.D., Yale University (1980); Member of the Israel and Washington, D.C. Bars. Subjects: Criminal Procedure, Evidence, White-Collar Crime.

Address: 80 Hahoresh St., Kfar Shamaryahu, Israel (tel.: 972-9-583-832).

ASHER MAOZ

Senior Lecturer, Faculty of Law, Tel Aviv University.

LL.B., Hebrew University, Jerusalem; LL.M., Hebrew University, Jerusalem; M. Comp., University of Chicago; J.S.D., Tel Aviv University; Chairperson, Committee on Journalists' Privileges; Co-Director, Temple University, Tel Aviv University Law Summer Sessions; Special Visiting Lecturer, Faculty of Law, Monash, Australia (1987); Editor, *Tel Aviv University Law Review* 1988–1989. Subjects: Constitutional Law, Family Law, Inheritance and Succession, State and Religion.

Address: 11 Yirmeyahu St., Herzliya, 46455, Israel (tel.: 972-3-640-8143; 972-9-575-161).

SMADAR OTTOLENGHI

Professor of Law, Faculty of Law, Tel Aviv University.

LL.M., Hebrew University, Jerusalem; Ph.D. in Law, Hebrew University, Jerusalem; Associate Professor of Commercial Law, Faculty of Law, Tel Aviv University (1984); Author of *Arbitration Law & Procedure* (3rd ed., 1990) and many articles; President of the Israeli Institute of Commercial Arbitration (1991). Subjects: Companies, Cooperative Societies, Negotiable Instruments, Arbitration.

Address: Faculty of Law, Tel Aviv University, Ramat Aviv, Tel Aviv, 69978, Israel (tel.: 972-3-640-8362).

ARIEL PORAT

Senior Lecturer, Faculty of Law, Tel Aviv University.

LL.B., Tel Aviv University; J.S.D., Tel Aviv University, 1990; Visiting Scholar, Yale Law School (1989–1990). Subjects: Tort Law, Contract Law. Address: 19 Alterman St., Tel Aviv, Israel (tel.: 972–3–648–3024).

URIEL PROCACCIA

Wachtell, Lipton, Rosen and Katz Professor of Corporate Law, Faculty of Law, Hebrew University, Jerusalem.

LL.B., Hebrew University, Jerusalem; LL.M., Hebrew University, Jerusalem; S.J.D., University of Pennsylvania; Attorney at Law, Tel Aviv; David Ben-Gurion Visiting Professor of Law, University of Southern California Law Center (1976–1977, 1981–1982); Olin Foundation Visiting Fellow in Law and Rational Choice and Visiting Professor of Law, California Institute of Technology and University of Southern California (1992–1993). Subjects: Corporations, Corporate Finance, Securities Regulation, Law and Economics.

Address: 788 Nahal Meshushim St., Maccabim, Israel (tel.: 972-8-264476).

ARIEL ROSEN-ZVI

Professor of Law, Dean, Faculty of Law, Tel Aviv University.

LL.B., Hebrew University, Jerusalem; LL.M., Hebrew University, Jerusalem; Ph.D., Tel Aviv University; Member of the Israel Bar (since 1972); Attorney at Law, Tel Aviv (1972–1978); Editor-in-Chief, *Tel Aviv University Law Review* (1975–1978); Visiting Research Scholar at the University of California,

Berkeley and at Fordham University, New York (1984); Visiting Professor at Cardozo Law School, Yeshiva University, New York (1987); Director of the Israeli Institute for Continuing Legal Studies (1985–1991); Member of the International Society on Family Law (since 1983); Dean of the Faculty of Law, Tel Aviv University (since 1991). Subjects: Administrative Law, Family Law, Jewish Law, State and Church.

Address: 26 Sutin St., Tel Aviv, 64684, Israel (tel.: 972–3–522–8573; 972–3–527–2562).

ZEEV SEGAL

Doctor of Law, Faculty of Law, Tel Aviv University.

LL.B., Hebrew University, Jerusalem; LL.M., Hebrew University, Jerusalem; J.S.D., Tel Aviv University; Currently Senior Lecturer in Law, Faculty of Social Sciences, Tel Aviv University; Member of the Israel Bar. Subjects: Constitutional Law, Administrative Law, the System of Freedom of Expression. Address: 75 Einstein St., Tel Aviv, 69102, Israel (tel. 972–3–642–9915).

YORAM SHACHAR

Associate Professor of Law, Hebrew University, Jerusalem.

LL.B., Tel Aviv University; D. Phil, University of Oxford; Visiting Professor, Tel Aviv University; Junior Research Fellow, St. John's College, Oxford (1975–1978); Visiting Professor, Temple University (1981–1982); Visiting Professor, University of Southern California (1989–1990); Visiting Professor, Boston University (1989–1990); Director, Institute of Criminology and Criminal Law, Tel Aviv University (1985–1988).

GABRIELA SHALEV

Professor of Law, Faculty of Law, Hebrew University, Jerusalem.

LL.B., Hebrew University, Jerusalem; LL.M., Hebrew University, Jerusalem; J.D., Hebrew University, Jerusalem; Visiting Scholar, Harvard Law School (1975–1976); Visiting Professor, Temple Law School (1975); Visiting Professor, Boston College School of Law (1976, 1981); Professor of Contract Law, Faculty of Law, Hebrew University, Jerusalem (1986); Lawrence D. Biele Chair in Contract Law (1990). Subjects: Contract Law, Government Contracts, Comparative Contract Law.

Address: 27 Ramban St., Jerusalem, Israel (tel.: 972-2-638329).

NINA ZALTZMAN

Associate Professor of Law, Faculty of Law, Tel Aviv University.

LL.B., Hebrew University, Jerusalem; LL.M., Hebrew University, Jerusalem; Ph.D., Tel Aviv University; Attorney at Law, Member of the Israel Bar. Subjects: Evidence Law, Property Law.

Address: 40 Tagor St., Tel Aviv, Israel (tel.: 972-3-642-5752).

Preface

The legal system is a mirror of a nation's normative life. It displays the polity's cultural (including linguistic) heritage, religious tradition, economic ethos, social organization, and form of government. It reflects the community's particular mix of public order and individual freedom, equality and liberty, social welfare and party autonomy, orthodoxy and secularism, paternalism and self-determination, proscription and permissiveness. It portrays society's commitment to the principles of the Rule of Law, separation of powers, administrative legality, and human rights. It presents its own notions of constitutionalism, legislative style, legal interpretation, and judicial discretion. It endows such general conceptual frames as 'good faith', 'reasonableness', and 'public policy' with a unique meaning. Sometimes it echoes certain unresolved communal existential dilemmas – such as, in the case of Israel, predicaments of nation-building, ethnic and cultural identity, religion and State relationships, national security, and physical survival.

To treat all these displays, reflections, portrayals, presentations, endowments, and echoes in a single, space-limited volume entitled 'Introduction' is certainly presumptuous and very likely unattainable. Our goal has been far more modest: to introduce the main features of the Israeli legal culture in its historical perspective; to identify the basic legal sources, institutions and processes; and, to provide adequate information about the principal branches of the law. This book is hardly a definitive, detailed, and all-encompassing analysis of the Israeli legal system. Rather, it aspires to offer the reader an authoritative, summary, but coherent, compact, yet systematic account of the major contours of the law of Israel. It is addressed to a diversified, primarily foreign readership including legal practitioners, government officials, administrators, businessmen, students, and - last but not least - researchers and scholars interested in an informative orientation and a reliable overview of Israeli law and legal institutions. A selected bibliography – compiled by the various authors themselves – is appended to each of the volume's chapters. It is designed to refer the interested reader to supplementary materials relevant to the topic under discussion. Hebrew language publications - not accessible to most foreign readers - were generally not included in the selected bibliographies.

The various chapters of this volume were contributed by different authors – all established experts in their respective fields. The writers' biographical professional credentials are acknowledged at the beginning of the book. Such a collaborative effort definitely enhances scholarship and expertise. But, at the same time, it inevitably compromises uniformity of method, structure, style, extent of detail, and usage of footnotes. Thus, some contributors are practice-oriented while others tend to indulge more in theory. Certain legal fields are

xii Preface

canvassed descriptively with a sole focus on the *lex lata* while others are treated critically with an eye to the *lex ferenda*. Heavy-handedness aspiring to force the various authors into uniform molds of composition has not been our preferred editorial policy. In all likelihood, such a policy would have failed anyway if tried on senior scholars cherishing their academic freedom. Hopefully, the composite entity portrayed in this volume does preserve a tolerable level of consistency and coherence. And what it may lack in pedantic uniformity is more than compensated for, we venture to suggest, by the work's inherent quality of fertile versatility.

The main beneficiary of a series of introductions to different legal systems is clearly the science of comparative law. It is no accident that the several authors were required to keep in mind, while portraying Israeli law, the fact that the bulk of their potential readership is likely to consist of jurists schooled and trained in foreign legal methods. A comparative law orientation is inherent to any exposition of the Israeli legal system. Due to historical and cultural factors, multi-systemic influences garnered in a somewhat eclectic fashion have contributed considerably to the evolution of Israeli law. Initial links to the law of the Ottoman Empire, long-lasting and deep roots in the English common law, latter-day ties to modern American law and European law, and an overarching inspiration derived from the fundamentals of the traditional Jewish law system (Halacha) have all combined to render the Israeli legal system a happy hunting ground for curious comparativists. Israeli law (including its legislative style and judicial attitudes toward statutory interpretation and judge-made common law) breathes comparative law. This volume, we believe, is a vivid testimony to this significant feature of our legal system.

This preface cannot be complete without an expression of well-deserved credits and acknowledgments. With deep gratitude I would like to thank all the authors for their creative contribution and collegial collaboration; the Associate Editor, Ms. Keren DeWitt-Arar, for her editorial expertise and relentless endeavor to put this volume together; Ms. Dana Rothman, Ms. Mauri Kazin, Ms. Dana Miller, Mr. Joshua Mitnick, Ms. Stephanie Pik, and Ms. Sally Zimmerman for their research and technical services to the overall production effort; the General Editor of this series, Prof. Tugrul Ansay, for initiating the idea and his general friendly backing; the people at Kluwer for their cooperation and expertise; and, last but not least, the Cegla Institute for Comparative and Private International Law at the Tel Aviv University Faculty of Law and its secretary Mrs. Osnat Cohen for providing an institutional – and a logistical – support system without which this project could not have come to fruition.

Amos Shapira

List of Abbreviations and Hebrew Materials

C.A. Civil Appeal
C.C. Civil Claim
Cr.A. Criminal Appeal

D.K. Divrei HaKnesset - Protocols of Knesset proceedings

D.M.I. Dinei Medinat Israel (Nusach Hadash) - Ordinances promul-

gated during the British Mandatory period and revised by the

Knesset (published in L.S.I.(N.V.))

Dine Israel Annual of Jewish Law

F.H. Further Hearing H.C. High Court

H.C.J. High Court of Justice

H.H. Hatza'ot Hok – Bills presented to the Knesset HaPraklit Law journal of the Israel Bar Association

I.R. Iton Rishmi - Official Gazette during the Provisional Council

of State

K.T. Kovetz HaTakanot – Regulations issued by government minis-

tries

L.S.I. Laws of the State of Israel

L.S.I.(N.V.) Laws of the State of Israel (New Version)

Mishpatim Hebrew University Law Review

P.D. Piskei Din – Official publication of judgments of the Supreme

Court of Israel

P.E. Pesakim Elyon - Unofficial publication of decisions of the

Supreme Court of Israel

P.M. Pesakim Mehoziim - Unofficial publication of decisions of the

District Court

S.H. Sefer HaHukim – Laws promulgated by the Knesset

Sp.C. Special Case

Y.P. Yalkut HaPirsumim – Government Notices

Summary of Contents

List	of Contributors
Pre	face
Tab	le of Contents
List	of Abbreviations and Hebrew Materials xxi
1.	History and Sources of Israeli Law
2.	The Institutional Organization of the Israeli Legal System 1 ASHER MAOZ
3.	Constitutional Law
4.	Administrative Law
5.	Family and Inheritance Law
6.	Contract Law
7.	Tort Law
8.	Property Law
9.	Commercial Law
10.	Corporate Law

xiv	Summary of Contents	
11.	Labour Law	213
12.	Tax Law	237
13.	Criminal Law	253
14.	Criminal Procedure	267
15.	Civil Procedure	295
16.	Law of Evidence	311
17.	Insolvency Law	327
18.	Arbitration Law	347
19.	Private International Law	361
20.	International Law and the State of Israel	383
Con	npiled Bibliography	397

Index 407

Table of Contents

LIST OF C	ONTRIBU	TORS	V
PREFACE			xi
SUMMAR	OF CON	TENTS	xiii
LIST OF A	BBREVIA	TIONS AND HEBREW MATERIALS	xxix
Chapter 1.	HISTORY Yoram Sh	AND SOURCES OF ISRAELI LAW	1
		STORY	1
		Introduction	
		The Ottoman Period	1 3 4 5
		The British Mandatory Period	4
	D.	The Israeli Period	5
		DRMAL SOURCES	6
		Introduction	6
	B.	Legislation	8
		Precedent Bibliography	10
	Selected 1	Stortograpity	10
Chapter 2.		STITUTIONAL ORGANIZATION OF THE	
T		LEGAL SYSTEM	11
	Asher Ma		
		HE NATURE OF ISRAELI CONSTITUTIONAL LAW	11
		IE KNESSET	15
		The Knesset as Both the Constituent Body and	13
		the Legislative Branch	15
	B.		16
	C.		
		dures	18
		Elections to the Knesset	20
	III. TH	IE GOVERNMENT	21
	A.	1	21
	В.	The Government's Powers	22

		C. Formation of the Government, its Responsibil-		
		ity and Its Termination	24	
	IV.	THE PRESIDENT OF THE STATE	28	
		A. The Status and Powers of the President	28	
		B. The President's Immunity	30	
		C. Summary	30	
	V.	THE JUDICIARY	31	
	٧.	A. The System of Courts	31	
		B. Tribunals with Limited Jurisdiction	31	
			31	
		1. Military Tribunals	32	
		2. Labour Courts		
		3. Religious Courts	32	
		C. Supervision by the Regular Courts of Law	20	
		over Special Tribunals	33	
		D. Regular Courts of Law	34	
		E. Judicial Intervention in Knesset Decisions	35	
		F. The Independence of the Judicial System	35	
		G. Reform of the Courts of Law	36	
	VI.	THE ISRAELI BAR ASSOCIATION	37	
	Select	ted Bibliography	37	
Chapter 3.	er 3. CONSTITUTIONAL LAW David Kretzmer			
	I.	Introduction	39	
	II.	THE SOURCE OF CONSTITUTIONAL NORMS	40	
	III.	ISRAEL AS A JEWISH STATE	40	
	111.	A. Constitutional Ramifications	41	
		B. Statutory Manifestations	42	
		1. Law of Return	42	
		2. Status of Jewish National Institutions	43	
		3. Foundations of Law Act	44	
			44	
		4. National Flag, Emblem, and Anthem		
		5. Days of Rest and Remembrance	44	
	13.7	6. State Education Law	45	
	IV.	ISRAEL AS A DEMOCRATIC STATE	45	
		A. Basic Rights	45	
		B. Constitutional Protection of the Democratic		
		Principle	46	
	V.	DEMOCRATIC AND JEWISH: THE RELATIONSHIP	47	
		A. The Level of Principle	47	
		B. Areas of Potential Conflict	48	
		1. State and Religion	48	
		2. Status of Non-Jews	49	
	VI.	PROTECTION OF CIVIL RIGHTS	50	
		A. Judicial Protection	50	
		1. Clear Statutory Authority	51	
		,	- 1	