

A Palestinian Legal Collection

Financial and Administrative Oversight in the Security Sector



DCAF

a centre for security,
development and
the rule of law

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About DCAF

The Geneva Centre for the Democratic Control of Armed Forces (DCAF) promotes good governance and reform of the security sector. The Centre conducts research on good practices, encourages the development of appropriate norms at the national and international levels, makes policy recommendations and provides in-country advice and assistance programmes.

DCAF's partners include governments, parliaments, civil society, international organizations and security services such as police, judiciary, intelligence agencies, border security services and the military.

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Publisher

Geneva Centre for the Democratic Control of Armed Forces (DCAF)
Chemin Eugène-Rigot 2E
P.O. Box 1360
1202 Geneva
Switzerland

Tel: +41 (22) 730 94 00
Fax: +41 (22) 730 94 05

www.dcaf.ch

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Proofreading and editing:

Ditto Translation Agency, Beirut

Translation Support

Yaseen N. Al-Sayyed

Design and Layout

Wael Dwaik

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Introduction

Good security sector governance requires a clear legal framework for financial accountability and integrity. Such a legal framework regulates the work and prerogatives of those institutions which have a specific legal mandate to ensure financial oversight in the security sector. Among these institutions are ministries, parliaments, supreme audit institutions, anti-corruption commissions and judiciary bodies. The legal framework for financial accountability and integrity in the security sector includes laws, bylaws and regulations which organise the work and financial operations of law enforcement agencies, security and justice providers and defence institutions (see Box 1. What is the security sector?). Such a whole-of-government approach to developing the legal framework for financial oversight in the security sector allows enhancing financial accountability through:

- Defining the roles and mandates of the formal institutions which are mandated to ensure financial oversight in the security sector
- Regulating the mechanisms of mutual cooperation between these institutions within the framework of the rule of law
- Setting limits to the prerogatives and powers of the core security and justice providers, which use taxpayers' money to deliver security to the citizens
- Defining what constitutes illegal financial behaviour by security sector institutions and their members
- Providing citizens' access to information held by security sector institutions
- Protecting whistleblowers who denounce corruption and misuses of public funds by security sector institutions

- Enhancing public trust and strengthening the legitimacy and integrity of these institutions

Usually, parliaments establish the legal framework for the financial and administrative accountability of security sector institutions. Yet, for completing and enforcing the legal framework, the executive's involvement is necessary through setting detailed rules of integrity and taking effective action against corruption. Further avenues of cooperation can also be developed with informal actors of financial oversight, such as civil society, academia and the media.

Challenges of financial oversight in the Palestinian Territories

In recent years, the Palestinian National Authority (PNA) has taken important steps towards building integrity and preventing corruption in Palestinian public bodies, including security sector institutions. These efforts have included establishing and empowering the State Audit and Administrative Control Bureau (SAACB) and the Anti-Corruption Commission (ACC). Palestinian authorities in the West Bank have engaged in developing a code of conduct for the civil service¹ and in a large-scale audit of Palestinian institutions and legislations' compliance with international anti-corruption treaties and covenants. Yet, despite these efforts, there remain many challenges for developing a sound Palestinian integrity framework. These challenges include:

- The lack of capacity and independence of the Palestinian bodies engaged in financial and administrative oversight of public and security sector institutions

¹ OECD, Designing and Implementing a Code of Conduct in the Civil Service. Benchmarking the Palestinian Draft Code of Conduct, Paris, 2011, available at: www.oecd.org/dataoecd/55/5/47756511.pdf

- The need to translate the existing national anti-corruption strategy into tangible legal and institutional reforms
- The gaps and inconsistencies of the Palestinian legal framework for financial and administrative accountability, which consists of a multi-layer hierarchy of laws, draft laws, regulations and executive decisions (see Box 2: Hierarchy of PNA legislation).

Addressing the gaps and inconsistencies of the Palestinian legal framework for financial and administrative oversight

In August 2012, the Geneva Centre for the Democratic Control of Armed Forces (DCAF) received an official request by the Deputy Secretary General for Legal Affairs at the Council of Ministers, the Advisor Fawaz Abu-Zir to assist in gathering the laws and regulations concerning financial and administrative oversight of Palestinian public bodies, including security sector institutions. Gathering these laws and regulations was considered as a first step towards assessing whether the Palestinian legal framework comply with international anti-corruption frameworks. This request is in line with the following recommendation of the 2004 United Nations Convention against Corruption (UNCAC):

Each State Party shall endeavour to periodically evaluate relevant legal instruments and administrative measures with a view to determining their adequacy to prevent and fight corruption (Article 14, § 5)

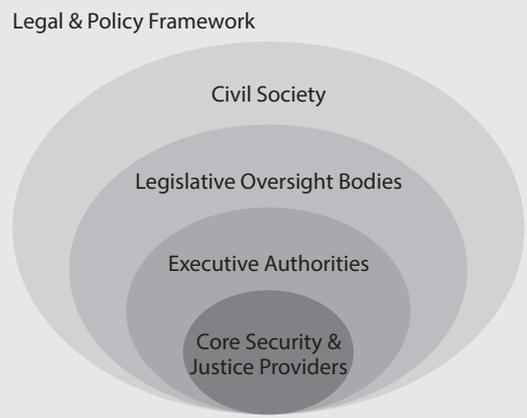
In response to request of the Deputy Secretary General for Legal Affairs at the Council of Ministers, the Advisor Fawaz Abu-Zir, DCAF compiled the present comprehensive collection of laws, draft laws, regulations and executive decisions enacted by the Palestinian National Authority to regulate the financial and administrative oversight of Palestinian public bodies, including security sector institutions. DCAF compiled this collection in cooperation with the State Audit and Administrative Control Bureau (SAACB) in Ramallah depending on the Memorandum

of Understanding the both parties signed in 2011.

What is the purpose of this legal collection?

This compilation is the first comprehensive collection of current Palestinian legislation, draft legislation and regulations related to financial and administrative accountability

Box 1: What is the Security Sector?



The security sector consists of the core security and justice providers and their management and oversight institutions. The legal and policy framework regulates their tasks, authorities and structures.

Core security and justice providers:

- Security forces (armed forces, police, intelligence and security services, but also liberation armies and insurgency groups)
- Justice and law enforcement institutions (courts, prosecution services, prisons, traditional justice systems)

Management and oversight institutions:

- Executive management and oversight bodies (Presidency, Council of Ministers, ministries of defence, interior, justice and finance)
- Legislative management and oversight bodies (Parliament and its committees, ombudspersons)
- Informal oversight institutions (civil society organisations, media, research and advocacy organisations)

of PNA institutions and employees. The legal collection's purpose is:

- To provide practitioners with an overview of existing Palestinian laws, draft laws and executive decisions regulating the work of key Palestinian financial oversight institutions
- To provide an overview of the legal framework regulating the financial and administrative operations involving employees of PNA institutions and members of the Palestinian security forces
- To assist Palestinian decision-makers in conducting legal compliance reviews and gap analyses of the domestic legal framework in order to assess its consistency with international anti-corruption conventions, such as the United Nations Convention Against Corruption (UNCAC), and bring it in line with the PNA's international anti-corruption commitments and obligations

How is this legal collection structured?

This compilation has been divided into two main parts:

- Part I includes the legal framework for the financial and administrative accountability of Palestinian public bodies and formal oversight institutions, which have a statutory mandate of ensuring financial oversight in the security sector (Chapters I-III)
- Part II includes the legal framework for the financial and administrative accountability of the Palestinian security forces and their members (Chapters IV-VI)

The legal texts of Part I: Financial and Administrative Accountability are presented in the following three chapters:

Chapter 1 gathers the laws and executive decisions that establish and regulate Palestinian financial and administrative oversight institutions. These institutions include:

- The State Audit and Administrative Control Bureau (SAACB), whose establishment is provided by the Law of the Financial and Administrative Control Bureau No. 15 of 2004
- The Anti-Corruption Commission, whose establishment is provided by Article 6 of the Decree Law No. 7 of 2010 Concerning the Amendment of the Law on Illegal Gains No. 1 of 2005

Chapter 2 gathers the laws, decree laws and Council of Ministers decisions regarding the general budget and financial operations of Palestinian public institutions. In particular, this chapter includes the following documents:

- The Palestinian general budget for the fiscal year 2011: the 2011 budget is the last national budget to date to have been enacted by Presidential Decree in absence of a working Palestinian Legislative Council (PLC)
- The Law No. 7 of 1998 Organizing the General Budget and the Financial Affairs: this law outlines the preparation, approval, implementation and control of the general budget at its various stages, and regulates the financial affairs of the Palestinian National Authority

Chapter 3 gathers the laws, decree laws and Council of Ministers decisions concerning the financial and administrative affairs of PNA employees. This includes:

- The Law No. 11 of 2004 Concerning the Awards and the Salaries of Legislative Council Members, the Government Members and the Governors, which establishes the salary scale of members of the executive and the legislature
- Laws and decree laws regulating the retirement of Palestinian public sector employees

The second part, entitled Part II: Financial Management of the Palestinian Security Forces, contains the following three chapters:

Chapter 4 gathers the laws, decree laws and decisions by the Council of Ministers concerning the structure and organisation of the Palestinian security forces and their

financial oversight and administrative oversight institutions. This includes:

- Extracts² from the laws and decree laws which establish and regulate the Palestinian security forces, including the Civil Defence, the General Intelligence and the Preventive Security Organisation and their economic activities
- Decree laws establishing commissions in charge of financial and administrative oversight of the Palestinian security forces and their members. These commissions mainly include: the Public Commission for the Retirement of Military Personnel, the Commission for the Members of the PA Security Forces Meeting the Qualification Requirements and the Central Financial Administration of the National Security Forces
- Decrees and decisions concerning the right-sizing and merging of security forces and their affiliation to the Ministry of Interior

Chapter 5 gathers the executive decisions concerning financial operations of the Palestinian security forces, which includes imports, procurement, and sales.

Chapter 6 gathers the laws, decree laws and executive decisions concerning the financial and administrative affairs of the Palestinian security forces' personnel. This includes:

- Laws concerning insurance and pension fund allocations of members of the security forces
- Executive decisions regulating the salaries, promotions, transfers, privileges and entitlements of members of the security forces

How can this collection be used?

Palestinian decision-makers can benefit from this legal collection in order to conduct a review of the existing Palestinian legal and regulatory framework for financial and administrative accountability. Such a review process can include:

- Establishing a consultative process involving key Palestinian stakeholders involved in managing and overseeing the use of public funds
- Examining whether the domestic legal framework is consistent with the requirements of international anti-corruption conventions, such as the United National Convention Against Corruption (UNCAC)
- Assessing the Palestinian anti-corruption laws and regulations and their institutional impact
- Making recommendations for comprehensive legal review and reform processes

DCAF remains available to support national efforts to review and reform the legal framework for PNA institutions' financial accountability in line with democratic values. Part One:

² The full text of these laws can be found in: DCAF, The Security Sector Legislation of the Palestinian National Authority, Ramallah/Geneva, 2008.

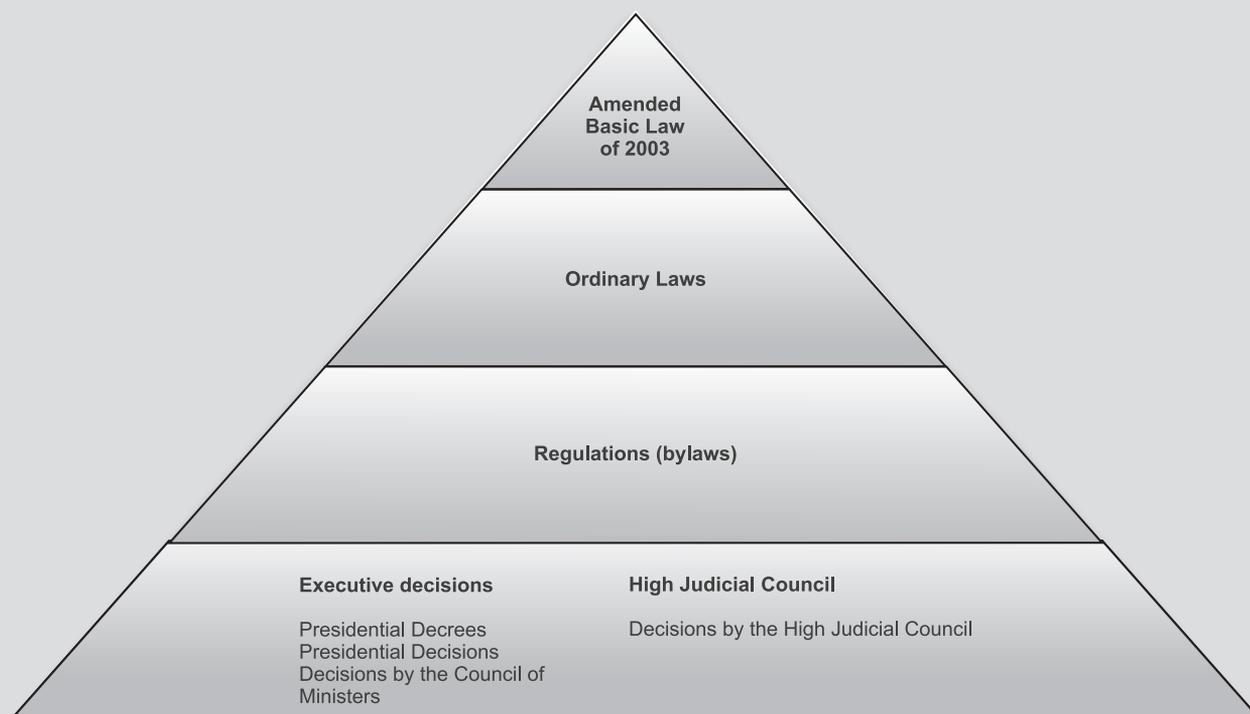
Box 2: Hierarchy of PNA legislation

Customary practice, not law, determines the hierarchy of PNA legislation. During the interim phase, until the adoption of the constitution of the Palestinian State, the Basic Law is the highest source of legislation and may be changed only by a two-third majority of PLC members.

Ordinary laws are the second-highest source of legislation. Further down in the hierarchy follow the regulations (bylaws), which are instruments for implementing ordinary legislation. Next in line are the executive decisions, which fall in three types:

- **Presidential decrees:** These are intended to facilitate the work of the Executive and other institutions of the PNA. In case of necessity, and if the PLC is not in session, the President also may issues decrees that have the power of law. "Decree Laws"; however, must be approved by the PLC in the first session after their issuance; otherwise they lose their legal power. Increasingly, the Presidency has come to use "decree laws" after the electoral victory of the change and reform list (Hamas) in the 2006 legislative elections; the legal status of these "decree laws" is contested.
- **Presidential decisions:** Presidential decisions are similar to decrees. As the Executive so far has failed to make a sharp distinction, the difference between these two types of legislation is, in practice, often difficult to discern.
- **Decisions by the Council of Ministries:** These only are administrative regulations to facilitate the work of the government

The Decision by the High Judicial Council, which regulate the work of the Judiciary, are another type of administrative decision that can be considered the equivalent in the Judiciary of what Decisions by the Council of Ministries are for the Executive.



Source: DCAF, *The Security Sector Legislation of the Palestinian National Authority*, Ramallah/Geneva, 2008.

Part One:

**Financial and Administrative
Oversight**

Chapter I: General Institutional Framework of Financial and Administrative Control in the Palestinian National Authority

1.a. Laws

Bylaws of the Palestinian Legislative Council of 2000

Chapter II. Inquiries and Interpellations

Article (75)

1. A member of the Legislative Council shall have the right to address inquiries and interpellations to ministers to inquire about any subject of interest to the member, to verify the occurrence of an event, or to clarify procedures that were taken or should be taken to deal with any subject.
2. The inquiry or interpellation shall be clear, specific and without any comments.

Article (76)

An inquiry shall be submitted in writing to the Speaker, who shall refer it to the respective minister and put it on the agenda of the next session, provided that the next session is not less than one (1) week from the date on which the inquiry was submitted to the minister. The Legislative Council shall assign the first half hour of the session for consideration of inquiries, unless it decides otherwise.

Article (77)

The minister shall answer the inquiry addressed to him and included on the agenda, but may ask to postpone his answer to another session assigned by the Legislative Council. In case of urgency, the minister shall have the right to ask for leave to answer an inquiry addressed to him in the first session after his receipt of the inquiry, even if it is not on the agenda. The minister shall inform the Speaker about the inquiry, and it shall be indicated in the minutes of that session.

Article (78)

The member who submitted an inquiry may ask only once that the minister for clarification and to comment on the answer.

Article (79)

The provisions relating to inquiries shall not apply to questions made orally by members to ministers in the course of a discussion in the Legislative Council.

Article (80)

1. An interpellation shall be submitted in writing to the Speaker, who shall assign a date to read and discuss it as soon as possible. The date of the discussion of an interpellation shall be decided upon hearing the answer of the minister. The discussions shall not exceed ten (10) days.
2. Interpellations shall have priority over all issues on the agenda except inquiries.
3. Any member may ask the minister to inform him about any documents related to the interpellation before the Legislative Council. Such a request shall be submitted in writing to the Office of the Legislative Council.
4. The member submitting the interpellation shall explain it to the Legislative Council. Upon the reply of the minister, other members may participate in the discussion. If the member submitting the interpellation is not satisfied with the answer of the minister, he may explain his reasons. He or any other member may submit a request to withdraw confidence from the Council of Ministers or the individual minister pursuant to the provisions of the Constitution.

5. A member submitting an interpellation may withdraw it, in which event it shall not be discussed, except upon the request of five (5) or more members of the Legislative Council.

Issued on 7 June 2000

Amad Qura'e (Abu Ala)

Speaker of Palestinian Legislative Council

Law No. 15 of 2004 on the State Audit and Administrative Control Bureau

The President of the Palestinian National Authority,

Having reviewed the *Amended Basic Law*,

Having reviewed the *Law of the Commission on Public Control No. 17 of 1995*,

Having reviewed the *Decision No. 22 of 1994 Concerning the Establishment of the Public Commission on Control*,

Having reviewed the *Decision No. 301 of 1995 Concerning the Appointment of a Chairman of the Public Commission on Control*, and

Based upon the approval of the Legislative Council during its session of 14 April, 2004,

I hereby promulgate the following law:

Chapter I. Definitions and General Provisions

Article (1)

In applying the provisions of this law, the following terms and expressions shall have the meanings specified below, unless the context determines otherwise:

National Authority:	The Palestinian National Authority.
President of the National Authority:	The President of the Palestinian National Authority.
Council of Ministers:	The Council of Ministers of the National Authority.
Legislative Council:	The Palestinian Legislative Council.
Absolute majority of the Council:	One (1) more than fifty (50%) percent of all members of the Legislative Council.

Bureau:	The Bureau of Financial and Administrative Control.
Chairman of the Bureau:	The Chairman of the Bureau of Financial and Administrative Control.
The Deputy -Chairman:	The Deputy-Chairman of the Bureau of Financial and Administrative Control.
The Director-General:	The Director-General of the Bureau of Financial and Administrative Control.

Article (2)

Pursuant to the provisions of this law, a public bureau called the 'Bureau of Financial and Administrative Control' is hereby established. It shall have a special budget within the General Budget of the National Authority and shall enjoy independent juridical personality, as well as full legal authority to perform all functions and activities in fulfillment of the duties to which it is established.

Article (3)

'Control' shall refer to control procedures and acts which aim to:

1. Ensure financial activity and the good use of public funds for the purposes for which they are allocated.
2. Administrative inspection to ensure good performance and good use of authority and to detect irregularities.
3. Ensure the conformity of financial and administrative activities with the laws, bylaws, regulations and decisions in force.
4. Ensure transparency, integrity and clarity in the public performance and promote credibility and confidence in the financial,

administrative and economic policies of the National Authority.

Article (4)

1. The Chairman of the Bureau shall be appointed by decision of the President of the National Authority, based upon the nomination of the Council of Ministers and with the approval of the Legislative Council by absolute majority.
2. The Deputy-Chairman of the Bureau shall be appointed by decision of the Council of Ministers, based upon the nomination of the Chairman of the Bureau.
3. The Director-General shall be appointed by decision of the Council of Ministers, based upon the nomination of the Chairman of the Bureau.
4. The Chairman of the Bureau shall appoint a sufficient number of employees at the Bureau to perform its duties.

Article (5)

The President of the National Authority shall present to the Legislative Council a replacement for the Chairman of the Bureau within a period not to exceed two (2) weeks from the date on which the Legislative Council refuses to approve the candidate nominated for the position of the Chairman of the Bureau.

Article (6)

The person to be appointed as Chairman of the Bureau or Deputy-Chairman of the Bureau shall meet the following requirements:

1. Be Palestinian.
2. Be an experienced and specialised person.
3. Be attested for his integrity and good reputation.
4. Be at least forty (40) years of age.
5. Not have been convicted by a competent court of any financial crime or of any felony or misdemeanour involving moral or trust violations.

Article (7)

The Bureau shall be accountable to the President of the National Authority and to the

Legislative Council and shall assume the duties and powers assigned to it pursuant to the provisions of the law.

Article (8)

The Chairman of the Bureau shall submit to the President of the National Authority, the Legislative Council, and the Council of Ministers a report on an annual basis or upon request about his functions and remarks. He shall also provide the President of the National Authority, the Legislative Council and the Council of Ministers with all data, information, studies or research papers which they may request, as well as conduct all other functions to which he may be assigned by any of them. Each such annual report shall be published in the *Official Gazette*.

Article (9)

The main office of the Bureau shall be in Jerusalem. It shall have a provisional office in Gaza and another in Ramallah.

Article (10)

1. The Chairman of the Bureau shall serve one (1) non-renewable term of seven (7) years.
2. The Chairman of the Bureau may not be deposed for any reason whatsoever except by decision of the absolute majority of the Council.
3. The salary and other financial entitlements of the Chairman of the Bureau shall be regulated by a decision of the President of the National Authority as approved by the Legislative Council; they shall be published in the *Official Gazette*.

Article (11)

Pursuant to the provisions of this law, the Chairman of the Bureau, the Deputy-Chairman, the Director-General, and the employees of the Bureau shall enjoy immunity for all of the functions which they perform with regard to their duties.

Article (12)

Intervention in any function of the Bureau shall be prohibited. All parties which are subject to the control of the Bureau shall cooperate fully and completely with all requests of the Bureau.

Chapter II. Formation of the Bureau

Article (13)

1. The Bureau shall consist of the Chairman of the Bureau, the Deputy-Chairman, the Director-General, and a number of directors, consultants, experts, inspectors, technicians, and employees in accordance with the organisational structure and the list of functions approved by the Legislative Council.
2. The Chairman of the Bureau shall have the rank of a minister, and the Deputy-Chairman shall have the rank of a deputy-minister.

Article (14)

The position of the Chairman of the Bureau shall be deemed vacant in any of the following cases:

1. Death.
2. Resignation.
3. Deposition.

Article (15)

1. If the position of the Chairman of the Bureau becomes vacant, the President of the National Authority shall appoint a replacement in his place within a period not to exceed one (1) month from the date of vacancy, pursuant to the provisions of this law.
2. The Deputy-Chairman shall perform the duties of the Chairman of the Bureau during the period of time set forth under paragraph 1 above until a new Chairman of the Bureau is duly appointed.

Article (16)

The Chairman of the Bureau shall appoint the executive directors, inspectors, consultants, experts, technicians and employees of the Bureau pursuant to the provisions of this law and the *Law of Civil Service*.

Article (17)

The Chairman of the Bureau, the Deputy-Chairman and the Director-General, during their tenure, may not:

1. Assume any other function.
2. Purchase or rent property belonging to the National Authority or a public juridical person even in an indirect manner or by means of an auction or lease, or sell to the National Authority any properties or make bargains thereof.
3. Take part in obligations concluded by the National Authority, public institutions or bodies.
4. Combine their function at the Bureau with the membership on the board of directors of any governmental or non-governmental company, institution or body.

Article (18)

Necessary departments and administrative sections shall be established at the Bureau for the management of its financial, administrative and legal affairs, as well as for monitoring, studies, research, development, and planning required for the performance of its duties, in accordance with the instructions which the Chairman of the Bureau shall issue.

Article (19)

The Bureau may seek assistance from specialised persons and experts regarding matters and issues presented to it and regarding the examination and expression of opinion which require special qualifications and expertise. Financial remunerations shall be awarded in return for their services pursuant to the relevant bylaws.

Article (20)

The Chairman of the Bureau may establish temporary committees for control, inspection, investigation, examination and fact-finding under an inspector, as well as authorise them to perform particular duties that fall within the duties and powers of the Bureau. Such committees shall submit the results of their work to the Chairman of the Bureau.

Article (21)

Nobody may be appointed to the position of an inspector at the Bureau or delegated to perform his functions unless he holds a first university degree in his field of specialisation.

Article (22)

The Deputy-Chairman shall exercise the duties and responsibilities of the Chairman of the Bureau in his absence, along with all functions which the Deputy-Chairman is authorised to perform pursuant to the provisions of this law.

Chapter III. The Mandate of the Bureau

Article (23)

The Bureau shall ensure the smooth functioning and the financial and administrative stability of the National Authority, including its executive, legislative and judicial authorities; reveal all financial and administrative irregularities and violations, including misfeasance and misuse of public functions; and ensure that public performance conforms with laws, bylaws, regulations, decisions and instructions in force, is restricted to their limits, and is exercised in the best manner and at the least possible costs. In implementing the above, the Bureau shall perform the following in accordance with the law:

1. Propose bylaws, regulations and policies pertaining to the function of the Bureau and submit them to the Council of Ministers for approval.
2. Develop plans and programmes to enable the Bureau to perform its duties.
3. Set forth special programmes and courses for the qualification and training of the employees of the Bureau.
4. Prepare a draft annual budget for the Bureau and submit it to the Council of Ministers for approval within the annual General Budget of the National Authority.
5. Ensure that the internal bodies of control, inspection and monitoring in all financial units of the National Authority perform their duties in a correct and efficient manner, as well as examine the procedures which regulate their functions to ensure their competence and accuracy in the implementation of their functions.
6. Control the expenditures of the National Authority and its revenues, loans, advances, storehouses and warehouses, in the manner set forth in this law.

7. Implement policies pertaining to control and inspection in a manner that guarantees the promotion of transparency, credibility and clarity in the work of the Government, public institutions and bodies, and those alike.
8. Investigate work and performance failures, including, but not limited to, financial, administrative and technical defects which obstruct the work of the Government and public institutions and bodies, as well as propose methods to avoid and correct them.
9. Reveal financial, administrative and legal contraventions made by public employees during or by virtue of their functions.
10. Reveal contraventions by persons other than public employees that aim to violate the smooth performance of the public service.
11. Discuss citizen complaints relating to contraventions or negligence in the performance of public functions and obligations and study them or report them to media outlets which may address aspects of negligence, malfeasance, malpractice, or mismanagement.
12. With regard to public revenues, the Bureau shall be responsible for:
 - a) Auditing the collection of taxes, fees and returns to ensure that their estimation and collection are made pursuant to the laws and regulations in force.
 - b) Auditing transactions relating to the sale of governmental lands and real estate belonging to the National Authority and their management and lease.
 - c) Auditing the collection of all types of revenues to ensure that the collection takes place during the times set forth in the laws and regulations in force.
13. With regard to public expenditures, the Bureau shall be responsible for:
 - a) Auditing expenditures to ensure that they are disbursed for the purposes for which they are appropriated and that disbursement is made pursuant to the laws and regulations in force.

- b) Auditing instruments and documents relating to disbursements to ensure that they are correct and that their value is identical to what is documented in the registers.
 - c) Ensuring that the issuing of disbursement orders is made in due form and by the competent authorities.
 - d) Ensuring that the provisions of the Budget Law and the annual budget are implemented and that the respective financial orders and drafts are made pursuant to its provisions.
14. With regard to accounts of deposits, imprests, loans or settlements, the Bureau shall be responsible for the verification of all such accounts to ensure that the operations pertaining thereto are correct and identical to what is documented in the registers. The Bureau shall also ensure that they are supported with necessary instruments and documents and that imprests and loans are redeemed on their dues dates with due interests for the General Treasury.
15. Control and review all decisions pertaining to the affairs of public employees regarding appointments, salaries, wages, promotions, increments, leaves and any other allowances, as well as ensure the extent to which they conform to the laws and regulations on the one hand and to the General Budget on the other.
16. Audit grants, gifts and donations to administrative parties and their disbursement, as well as control the extent to which they conform to the laws and regulations in force.
17. Examine as required each issue, case or report referred to the Bureau by the President of the National Authority, the Legislative Council and its ad hoc-committees, the Council of Ministers or the competent minister, if such issue falls within the scope of the duties and powers of the Bureau, including, but not limited to, the investigation of administrative and financial contraventions which employees of administrative authorities may commit.

Article (24)

The Bureau may audit the accounts, documents, instruments and supplies of any department. The employees of such department must facilitate the Bureau's duties and submit to it all information which it demands. The Bureau may also investigate reports submitted to it and ask employees for clarification about the reasons for delays in completing transactions.

Article (25)

The Bureau may review all reports, information and data received from employees, as well as investigation reports on financial and administrative contraventions. It may request to be provided with all necessary documents, including, but not limited to, information and clarifications from all governmental departments regarding their functions.

Article (26)

The Chairman of the Bureau shall submit quarterly or upon request reports that include investigation reports, studies, research work, proposals, contraventions, administrative responsibility for the contraventions, and respective remarks and recommendations to the President of the National Authority, the Legislative Council, and the Council of Ministers, to take such measures as it may deem necessary.

Article (27)

1. Administrative control activities shall be conducted to ensure the implementation of the rules and procedures of governmental accountability and the adherence of administrative parties to the General Budget of the National Authority as well as the registration and classification of financial transactions.
2. Financial control over disbursement and systems of internal control shall ensure the audit of reports and statements submitted by financial parties and their final accounts, so that they are in accordance with the actual transactions.

Article (28)

The Bureau shall submit special reports on important issues requiring quick examination

to the President of the National Authority, the Legislative Council, the Council of Ministers, and the competent minister.

Article (29)

Pursuant to the provisions of the law, the Bureau may request, review or keep any files, data, papers, documents or information or obtain copies thereof from the party possessing such files, data, papers, documents or information, including the parties which deem them confidential. The Bureau may summon individuals for hearing their statements.

Article (30)

Pursuant to the provisions of the law, the Bureau may request a competent authority to suspend an employee from his duties or dismiss him temporarily if his presence on duty damages the procedures of the investigation.

Chapter IV. The Parties Subject to the Control of the Bureau

Article (31)

Pursuant to the provisions of the law, the following parties shall be subject to the control of the Bureau:

1. The Presidency of the National Authority and affiliated institutions.
2. The Prime Minister and members of the Council of Ministers and those alike.
3. The Legislative Council, including its administrations and subordinate bodies.
4. The Judicial Authority and the Public Prosecution, as well as their members and employees.
5. The ministries and agencies of the National Authority.
6. The Security Forces, the Police, and all security and military agencies.
7. Public and civil society bodies and institutions, as well as syndicates, associations and unions of all types and levels and those alike.
8. Associations and companies which the National Authority owns or finances,

or from which it receives aid, as well as parties offering donations to the National Authority.

9. Institutions and companies licensed to use or manage a public facility.
10. Local bodies and those alike.
11. The provisions of this law shall apply to those parties not explicitly mentioned herein, who are given special functions by laws, bylaws, decisions and regulations.
12. The bodies, departments and units on which the provisions of this law apply shall be called 'administrative parties.'

Chapter V. Obligations of the Parties Subject to the Control of the Bureau

Article (32)

The Ministry of Finance shall submit to the Bureau at the end of each quarter a report that details and analyses the status of the General Budget. The report shall also include financial developments and trends of revenue turnover and expenditures in comparison with the estimates, as well as interpretations of significant deviations, and analysis of the cash flow and the effects of such developments on the general financial situation of the National Authority. In addition, the report shall include proposals on the appropriate correctional measures to recover the financial balance.

Article (33)

The Ministry of Finance shall prepare preliminary unified accounts of public transactions and submit them to the Bureau no later than six (6) months before the end of the fiscal year. The accounts shall show *inter alia* the opening and closing balances of the unified fund and each special fund, along with details of financial operations conducted to correct the financial deficit, if available, and the net general local and foreign debt. In addition, the accounts shall state the loans given during the fiscal year and the resulting liabilities.

Article (34)

On the basis of the preliminary accounts set forth in Article 33, the Ministry of Finance shall prepare the draft of the final account and

submit it to the Bureau within one (1) year from the end of the fiscal year, for examination and submission of the Bureau's remarks thereon to the Legislative Council.

Article (35)

Each financial auditor in a financial unit must notify the Bureau of all cases of financial contraventions related to disbursements within a period not to exceed two (2) weeks from the date of their occurrence.

Article (36)

Each commissioner of disbursement in a financial unit, as well as all other parties subject to the control of the Bureau, must notify the Bureau of each incident of embezzlement, theft, dissipation, damage, fire or negligence and those alike on the day on which each is discovered. They must also provide the Bureau with the decision issued with regard to each such incident immediately upon release of such decision, in addition to:

1. Providing the Bureau with data and evidence necessary to follow up with the implementation of the planned correctional measures pursuant to the regulations and instructions which are set forth by the Bureau.
2. Responding to the remarks of the Bureau within one (1) month from the date of the notification thereof.
3. Providing the Bureau with all laws, bylaws, decisions, regulations, and instructions which such parties may issue.

Article (37)

The parties which implement investment projects to which the National Authority is a party or a partner must provide the Bureau with copies of the contracts, agreements and tenders of each such project, in addition to all modifications during the implementation of each such project.

Article (38)

Employees of the Bureau shall perform their functions in their offices, in the offices of the competent parties, or through field work. The parties subject to the control of the Bureau

must provide in their offices a work place for employees of the Bureau upon request.

Article (39)

The parties set forth under paragraphs 7 and 8 of Article 31 above must submit the reports of the Bureau to their boards of directors within one (1) month from the date of their notification, as well as to the general assemblies upon their convention.

Chapter VI. Financial and Administrative Contraventions

First. Financial Contraventions

Article (40)

Pursuant to the provisions of this law, the following shall be deemed a financial contravention:

1. Contravention of financial rules and procedures set forth in the relevant laws, bylaws or regulations in force.
2. Contravention of rules and procedures relating to the implementation of the General Budget Law of the National Authority.
3. Contravention of rules and procedures pertaining to purchases, sales and management of warehouses, including, but not limited to, the applicable financial and accounting regulations.
4. An action resulting in illegal disbursement of funds belonging to the National Authority or misuse of financial entitlements of the National Authority or of the parties subject to the control of the Bureau.
5. Not providing the Bureau with copies of contracts, agreements and tenders as the provisions of this law require.
6. Not providing the Bureau on the due dates with accounts and supporting documents or other requested information, including, but not limited to, papers, data, decisions, protocols of sessions, and documents or which the Bureau is entitled to examine or view pursuant to the provisions of the law.

Second. Administrative Contraventions

Article (41)

Pursuant to the provisions of this law, the following shall be deemed an administrative contravention:

1. Not responding to the remarks or correspondences of the Bureau, delaying the response without acceptable excuse beyond the dates set forth in this law, or answering in a manner the aim of which is procrastination or postponement.
2. Concealing data requested by the Bureau, refraining from submitting them, or refusing to inform regardless of the nature of such data, in addition to abstaining from the implementation of the request.
3. Delaying without justification the notification of the Bureau within the periods of time set forth in this law of correctional measures taken by the competent party with regard to a contravention.
4. Failure in administrative work or in the management of a public facility.
5. Poor performance or negligence in the performance of a function.
6. Contravention of relevant decisions or instructions issued by the Bureau.

Article (42): Disciplinary Penalties

1. Pursuant to the provisions of the law, an employee who commits a financial or administrative contravention, knowingly contributes to committing it, or knowingly facilitates its occurrence, conceals its perpetrators or fails to report them, shall be disciplined pursuant to the provisions of the law, without prejudice to further civil and criminal action.
2. The competent authorities shall take the necessary measures to redeem the amounts disbursed in an illegal manner.
3. Each contravener is obliged to return the embezzled or lost amounts pertaining to the Treasury of the National Authority or any other party which is subject to the control of the Bureau.

Article (43)

An employee shall not be exempted from disciplinary penalty based upon the order of his manager, unless it is proven that he committed the contravention while implementing a written order by the manager and after warning the manager in writing about the contravention. In such case, the responsibility shall lie on the person who issued the order.

Article (44)

All parties subject to the control of the Bureau must inform the Bureau immediately upon uncovering any financial or administrative contravention, any incident which may result in a financial loss on the part of the National Authority or the loss of an entitlement thereof, or which may cause loss or damage to its movable or immovable assets, or both, in any form whatsoever, in order to take the necessary measures pursuant to this law and without prejudice to other measures which the concerned parties must take.

Chapter VII. Employees of the Bureau

Article (45)

To be appointed as an employee of the Bureau, every person shall meet the following requirements:

1. Be Palestinian.
2. Be a competent and specialised person.
3. Be attested for his integrity and good reputation.
4. Not have been convicted by a competent court of a financial crime or any felony or misdemeanour involving moral or trust violations.

Article (46)

The Chairman of the Bureau may delegate any employee of the Bureau to perform, on a temporary or permanent basis, a particular function at the behest of any governmental or non-governmental party.

Article (47)

Persons so authorised by the Chairman of the Bureau shall have the capacity of the Judicial Police with regard to the performance of the duties of their function pursuant to the provisions of this law.

Article (48)

The Chairman of the Bureau shall supervise all actions of the Bureau and issue the decisions and instructions which the progress of the work may require.

Article (49)

Appraisal reports for employees shall be written pursuant to a bylaw or regulation to be issued in a decision by the Chairman of the Bureau.

Article (50)

An employee of the Bureau who neglects or deviates from the duties required by his function or who appears in a manner that violates the honour of the function shall be disciplined, without prejudice to further civil and criminal action. Such an employee shall not be exempted from disciplinary penalty based upon the order of his manager unless it is proven that he committed the contravention while implementing a written order by the manager and after warning the manager in writing about the contravention. In such case, the responsibility shall lie on the person who issued the order.

Article (51)

Information, data and documents which employees of the Bureau review by virtue of their functions and in the context of performing acts of financial and administrative control shall be confidential and be dealt with on such basis. No such information, data and documents may be shown to or reviewed by a third party except for the Judiciary. This prohibition applies to every action resulting from financial or administrative control activities of the Bureau or the official jurisdiction to which the Bureau submits its reports, recommendations and results pursuant to provisions of this law under disciplinary and criminal liability.

Article (52)

No disciplinary penalty may be imposed without hearing the employee of the Bureau and his defense. The decision of the Chairman of the Bureau thereon shall be in writing, justified, and based upon the formation of an investigation committee.

Article (53)

The provisions of the *Law of Civil Service* shall apply to the employees of the Bureau with regard to matters not regulated in this law.

Article (54)

1. The Chairman of the Bureau and the Deputy-Chairman shall swear the following legal oath before the President of the National Authority and the Legislative Council:

'I hereby swear by the Almighty God to perform my work in a sincere and trustworthy manner and to serve my homeland in honour and not to contravene the laws and regulations of the National Authority.'

2. Employees of the Bureau shall also swear the above legal oath before the Chairman of the Bureau.

Article (55)

The Chairman of the Bureau shall submit a declaration of his financial liabilities and those of his spouse and minor children. He shall declare to the High Court all that they own, including, but not limited to, real estate, movable property, stocks, bonds and cash money inside of Palestine and abroad, as well as the debts which they may owe. The High Court shall set forth the arrangements necessary to keep such information confidential. Such information shall remain confidential and may not be viewed except by permission of the High Court if necessary.

Chapter VIII. Transitional and Concluding Provisions

Article (56)

The properties of the Public Commission on Control established pursuant to the *Law No. 17*

of 1995 and its employees shall be transferred to the Bureau, which shall be established pursuant to the provisions of this law.

Article (57)

Other laws of the National Authority shall apply to the duties and other matters that fall within the capacities of the Bureau and that are not regulated in this law.

Article (58)

The *Law of the Public Commission on Control No. 17 of 1995* and the *Decision No. 22a of 1994 Concerning the Establishment of Public Commission on Control* are hereby repealed. In addition, each provision, if any, that contradicts the provisions of this law is hereby repealed.

Article (59)

Based upon a proposal of the Bureau and following coordination with the Budget and Financial Affairs Committee of the Legislative Council, the Council of Ministers shall issue the bylaws and regulations necessary for the enforcement of the provisions of this law.

Article (60)

All competent authorities, each within its sphere of jurisdiction, shall implement the provisions of this law, which shall enter into force thirty (30) days after the date of its publication in the *Official Gazette*.

Issued in the city of Ramallah on 27 December, 2004 AD, corresponding to 15 Al-Qi'da 1425 AH.

Rawhi Fattouh

President of the Palestinian National Authority

Law No. 1 of 2005 Concerning Illegal Gains

The President of the Palestinian National Authority,

Having reviewed the *Amended Basic Law*, and

Based upon what the Legislative Council approved during its session of 6 January 2005,

I hereby promulgate the following law:

Article (1)

In applying the provisions of this law, the following terms and expressions shall have the meanings specified below, unless the context determines otherwise:

The Commission: The Commission for the Elimination of Illegal Gains.

The Chairman: The Chairman of the Commission for the Elimination of Illegal Gains.

Illegal Gain: Any fund which a person subject to the provisions of this law gains for himself or others by virtue of the exploitation of a position or capacity, conduct violating a legal provision or public manners, or through any other illegal manner, even if it may not constitute a crime. An illegal gain shall also be any increase in wealth which occurs after the availment of a service or the rendering of a capacity upon a person subject to the provisions of this law or to his spouse or minor descendants, if this is not compatible with their income and the person fails to submit evidence of a legitimate source thereof. Also included shall be any

funds gained by a natural or juridical person through collusion with any person subject to the provisions of this law to exploit his position or capacity.

Article (2)

Subject to the provisions of this law shall be:

1. The President of the National Authority and his deputies and advisers.
2. The Prime Minister and the members of the Council of Ministers and those alike.
3. Members of the Legislative Council.
4. Members of the Judicial Authority and the Public Prosecution.
5. Heads of organisations and directors of departments in the Security Forces and the Police.
6. Governors and heads and members of the councils of local bodies.
7. Heads and members of boards of directors and executive directors of public shareholding companies in which the National Authority or any of its bodies is a shareholder.
8. Employees subject to the Law of Civil Service from the first and second special categories.
9. Purchase officers and their deputies, trustees of deposits, changers, purchase and sales representatives, members of purchase and sales committees from the third, fourth, and fifth categories of the Law of Civil Service, and those alike, including officers of the Security Forces and the Police.

10. Employees, officers, and members of bodies which receive their budgets or any support from the General Budget.
11. Any other person whom the Council of Minister decides to include under the provisions of this law.

Article (3)

1. Pursuant to the provisions of this law, a commission called the 'Commission for the Elimination of Illegal Gains' shall be established. The Commission shall enjoy juridical personality and administrative and financial independence, and it shall be allotted a special budget within the General Budget.
2. The President of the National Authority shall appoint the Chairman of the Commission upon the nomination of the Council of Ministers, and the Legislative Council shall approve his appointment with an absolute majority.
3. The Chairman of the Commission shall appoint a sufficient number of employees to enable the Commission to perform its tasks.

Article (4)

The person to be appointed as the Chairman the Commission shall meet the following requirements:

1. Be Palestinian descending from Palestinian parents and grandparents and not hold any other nationality.
2. Be competent and qualified.
3. Be known for his integrity and good reputation.
4. Be at least forty (40) years of age.
5. Not have been convicted by a competent court of any financial crime or any crime or misdemeanor violating honor or trust.

Article (5)

A person appointed as employee of the Commission shall meet the following requirements:

1. Be Palestinian.

2. Be competent and qualified.
3. Be known for his integrity and good reputation.
4. Not have been convicted by a competent court of any financial crime or any crime violating honour or trust.

Article (6)

1. The Chairman of the Commission shall serve for seven (7) non-renewable years.
2. The Chairman may not be deposed nor changed except with the approval of the absolute majority of the members of the Legislative Council.
3. The Chairman shall be held accountable before the Legislative Council.

Article (7)

Pursuant to the provisions of the law, the Chairman and the employees of the Commission shall enjoy immunity regarding all actions they perform in the performance of their duties.

Article (8)

The Commission shall be competent to:

1. Collect all declarations of financial assets and to request any information or clarification relating thereto.
2. Examine the financial assets of the persons subject to the provisions of this law.
3. Investigate complaints which are filed with reference to illegal gains.

Article (9)

Pursuant to the provisions of this law, the Commission, in order to perform its tasks and powers, shall be competent to:

1. Request information and clarification and obtain papers and documents or copies thereof from relevant parties, including, but not limited to, those which are confidential.
2. Seek assistance from police officers or any other competent authority. All competent authorities must perform whatever the Commission may request them to do.

Article (10)

At the beginning of the fiscal year, all competent authorities shall submit to the Commission a statement with the names of the competent persons subordinate thereto and who are subject to the provisions of this law.

Article (11)

1. The President of the National Authority shall submit a declaration of his financial assets and those of his spouse and descendants, in which shall be declared all of their possessions, including, but not limited to, real estate, movable property, shares, bonds and cash money inside and outside of Palestine, as well as the debts which they owe. Each such declaration shall be kept sealed and confidential with the High Court of Justice and may not be viewed except by permission of that Court upon litigation and within the limits of the law.
2. The President of the National Authority may not purchase, rent, sell, grant or offer any other thing belonging to the State or any public juridical person, or have financial interests in any of the contracts which the governmental or administrative authorities may conclude. In addition, he may not, for the duration of his presidency, be a member of a board of directors of any company, nor may he engage in business or any other profession or earn any other salary, remuneration or grant from anybody and in any capacity whatsoever other than the salary allotted to him and his allowances as President of the National Authority.

Article (12)

1. If the Chairman of the Commission or the Attorney-General suspects the President of the National Authority of an illegal gain, the Chairman or the Attorney-General shall submit an initial request to the Legislative Council and the Constitutional Court to challenge the legal capacity of the President of the National Authority pursuant to the rules set forth under the Basic Law.
2. The President of the National Authority shall be suspended from the duties of

his position upon the lodging of the accusation. The Speaker of the Legislative Council shall assume the duties of the President of the National Authority temporarily until the accusation has been resolved. The Attorney-General shall assume the procedures of the investigation. The litigation of the President of the National Authority shall take place before a special court, whose formation and litigation procedures shall be regulated by the law. If a final judgment of conviction is issued, President of the National Authority shall be removed from his position, without prejudice to other penalties pursuant to the law.

Article (13)

1. The President of the National Authority shall have the right to request an interrogation of the Prime Minister with reference to alleged crimes of illegal gains during the performance of the duties relating to the Prime Minister's position or by virtue thereof pursuant to the provisions of the law.
2. The Prime Minister shall have the right to request an interrogation of any minister on the grounds of the reasons set forth under paragraph 1 above pursuant to the provisions of the law.

Article (14)

1. Any minister who is accused shall be suspended from the duties of his position immediately without pay upon the issuance of the accusation. The end of his service shall not impede the continuation of the investigation.
2. The Attorney-General, or his representative from among the members of the Public Prosecution, shall assume the procedures of the investigation. Such litigation that may result from the accusation shall take place before the competent court. The provisions and rules set forth in the Penal Law and the Law of Penal Procedure shall apply.
3. The aforementioned provisions shall be applicable to the deputies-ministers, assistant-minister and those alike.

Article (15)

1. If a member of the Legislative Council is suspected of an illegal gain, the Chairman of the Commission or the Attorney-General may request the Council to suspend such member's immunity in the manner set forth under the Bylaw of the Council.
2. The member of the Legislative Council shall be suspended from exercising his duties immediately without pay upon the suspension of immunity, and the Attorney-General shall assume the procedures of the investigation and accusation. The resulting litigation shall take place before the competent court, and the provisions and rules set forth under the Penal Law and the Law of Penal Procedures shall apply. If the member is convicted by a final judgement, he shall lose his membership of the Legislative Council, without prejudice to other penalties pursuant to the law.

Article (16)

1. With the exception of the categories set forth under paragraphs 1, 2, 3 and 4 of Article 2 above, which apply to the President of the National Authority, the Prime Minister and the members of the Council of Ministers, the Speaker and the members of the Legislative Council, the members of the Judicial Authority and the Public Prosecution, any person subject to the provisions of this law shall submit to the Commission the following:
 - a) A declaration of his financial assets and the assets of his spouse and minor descendants, including, but not limited to, the movable and immovable properties which each of them may possess, stocks, bonds, shares in companies, bank accounts, cash money, jewelry, precious stones and metals, their sources of income and the value of such income received within two (2) months prior to becoming subject to the provisions of this law.
 - b) A declaration of the financial assets every three (3) years or upon request, including, in addition to what is

set forth in the above paragraph, the source of every increase in his financial assets.

- c) In addition to the declarations set forth above, each person subject to the provisions of this law must submit a declaration of his financial assets within one (1) month from the date of ceasing to be subject to the provisions of this law.
2. With reference to the categories set forth under paragraphs 1, 2, 3 and 4 of Article 2 above, which apply to the President of the National Authority, the Prime Minister and members of the Council of Ministers, the Speaker and the members of the Legislative Council, the members of the Judicial Authority and the Public Prosecution, the Commission shall have the right to review their declarations of financial assets. For such purpose, it may request from the High Court permission to review such declarations, which the High Court must permit within the limits of the law.

Article (17)

If the Commission, regarding the categories set forth under paragraph 1, 2, 3 and 4 of Article 2 above, strongly suspects an illegal gain, it shall refer the matter to the President of the National Authority with respect to the Prime Minister, to the Prime Minister with respect to ministers, to the Legislative Council with respect to the President of the National Authority, the Speaker and the members of the Legislative Council, and to the High Judicial Council with respect to the members of the Judicial Authority and the Public Prosecution, for adopting the necessary legal procedures.

Article (18)

Any person acquiring reliable information or documents with reference to an illegal gain may submit them to the Commission or file a complaint thereof against any of the persons subject to the provisions of this law.

Article (19)

1. Any public employee who learns of an illegal gain must promptly notify the Commission thereof.

2. Compliance with paragraph 1 above shall not result in any disciplinary procedures against the public employee or the implementation of any procedures which may jeopardise his position or status.

Article (20)

If the Commission considers the complaint to be justified, it shall request the person against whom it is lodged to state the source of his wealth.

Article (21)

If a strong suspicion of an illegal gain arises through declarations of financial assets or complaints, the Chairman of the Commission shall decide, upon the necessary investigation, to refer the matter to the Attorney-General to perform the following:

1. To initiate action thereof in order to take legal measures.
2. To submit it directly to the competent court of first instance if the suspicion of the illegal gain is of an unknown origin, if time has elapsed on such crime, or if it is extinguished in accordance with the common right.

Article (22)

The declarations set forth under this law and the procedures adopted for the investigation and examination of complaints regarding an illegal gain shall be confidential and may not be revealed except by a decision of the competent court.

Article (23)

If the spouse of the person who is liable to submit the declarations set forth under this law refrains from giving and signing the necessary information, the person shall notify the Commission thereof. The Commission shall request the refraining spouse to submit a declaration of financial assets within two (2) months from the date of notification.

Article (24)

The Commission may request the competent court to seize the funds of the person whose wealth is suspected, or any funds which are suspected to be belonging to him in the

possession of any other person, by means of a precautionary attachment. The Commission shall be entitled to review the books of the person and his documents and seek necessary information from official and unofficial departments, as well as assistance for such procedures from such experts as it deems appropriate.

Article (25)

Any person who obtains an illegal gain for himself or others, or enables others to do so, shall be punished by the following:

1. Temporary imprisonment.
2. Restitution of the value of the illegal gain and of everything that is proven to be in his financial assets and to have been obtained by means of the illegal gain.
3. Payment of a fine that is equal to the value of the illegal gain.

Article (26)

1. Extinguishment of the criminal action upon death shall not prevent the restitution of the illegal gain by decision of a competent court, based upon the request of the Commission.
2. The competent court may order the inclusion of each person who gains a significant benefit other than those set forth Article 13 above, to the effect that the decision of restitution be enforced upon him in correspondence of his financial benefit.

Article (27)

1. If the perpetrator of a crime of illegal gain or a partner therein notifies the public authorities of the crime and the respective funds before they are uncovered, he shall be exempted from the penalties of imprisonment and fine.
2. If the perpetrator of a crime of illegal gain or a partner therein during his interrogation cooperates with uncovering the crime and its perpetrators, the penalty shall be reduced to imprisonment and he shall be exempted from the penalty of the fine.

Article (28)

Any person who fails to submit the required declaration of financial assets on the prescribed date shall be punished with a fine between one-hundred (100) and one-thousand (1000) Jordanian Dinars or the equivalent in legal tender, for each month of delay, starting on the date he becomes subject to the provisions of this law or the date allotted to him by the Commission.

Article (29)

1. Any person who intentionally gives incorrect information in the declarations set forth under this law shall be punished with a fine between one-hundred (100) and one-thousand (1000) Jordanian Dinars or the equivalent in legal tender.
2. Any person who spontaneously corrects the information stated in the declarations prior to the discovery of the error shall be exempted from the penalty.

Article (30)

Any person who, with the intention to commit offence, falsely informs of an illegal gain shall be punished with imprisonment for a period of not less than six (6) months, a fine between one-hundred (100) and one-thousand (1000) Jordanian Dinars or its equivalent in legal tender, or both.

Article (31)

Any person against whom a final court judgment is issued regarding the perpetration of a crime of illegal gain shall be forever barred from assuming a public position.

Article (32)

The penalties set forth under this law shall not preclude a more severe penalty pursuant to any other law.

Article (33)

Lawsuits of illegal gains and all relevant procedures shall not be subject to limitations of time.

Article (34)

The Commission shall draft the bylaws necessary for the enforcement of the provisions of this law, which shall be issued by the Council of Ministers.

Article (35)

Every provision contradicting the provisions of this law is hereby repealed.

Article (36)

Each competent authority shall, within its sphere of jurisdiction, implement the provisions of this law, which shall enter into force thirty (30) days after the date of its publication in the *Official Gazette*.

Issued in the city of Ramallah on 8 January, 2005, corresponding to 27 Al Qi'dah 1425 AH.

Rawhi Fattouh

President of the Palestinian National Authority

Law of Public Debt No. 24 of 2005

The Chairman of the Executive Committee of the Palestine Liberation Organisation,

The President of the Palestinian National Authority

Having reviewed the Amended Basic Law of 2003 and its Amendments, particularly Article (41) thereof,

Based upon the endorsements of the Legislative Council in its session held on November 09, 2005,

Based upon the powers vested in us, and

In the name of the Arab Palestinian People,

We have promulgated the following Law:

Chapter I: Definitions and General Provisions

Article (1) Definitions

The following words and expressions mentioned in this Law shall have the meanings ascribed thereto hereunder unless the context requires otherwise:

The National Authority:	The Palestinian National Authority.
The Council of Ministers:	The Council of Ministers of the National Authority.
The Government:	The line ministries and governmental Departments listed as independent financial centres in the annual General budget Law of the National Authority.

The Committee:	The Higher Ministerial Committee established in accordance with Article (2) of this Law.
The Ministry:	The Ministry of Finance.
The Minister:	The Minister of Finance.
Directorate:	The Public Debt Directorate at the Ministry of Finance.
Director:	The Director General of the Directorate.
Governor:	The Governor of the Monetary Authority.
Public debt:	The outstanding balance of the unpaid financial obligations of the Government, which the Government must pay in fulfilment of its obligations.
External public debt:	The financial obligations payable by the Government to settle the funds it borrowed from States and external international commissions and institutions in conformity with the Law.
Internal public debt:	The financial obligations payable by the Government to settle the funds it borrowed by virtue of government bonds or from local banks or other local financial institutions.
Privileged debt:	The debt which shall be given priority in repayment over the other types of debt.

Registered bond:	The public debt instrument whose nominal value is registered in the name of its owner.
Treasury bill:	A promissory note issued by the Government, whose value is registered in the name of its owner and maturity period does not exceed one year.
Government securities:	The registered bonds and treasury bills issued in accordance with this Law.
Repayment Fund:	The funds which are allocated and accrued for repayment in the amount of any internal public debt issuance.
Register:	The Register of Government securities which is regulated in accordance with the provisions of this Law.

Article (2) The Higher Ministerial Committee

A committee, chaired by the Minister and the membership of the Governor and Director General of the Capital Market Authority, shall be established. It shall be entrusted with the following tasks and powers:

1. Develop the policy framework and strategies, and identify the short- and long-term objectives for the public debt management and utilization.
2. Examine the proposals and recommendations submitted by the relevant governmental bodies and the Directorate, and submit recommendations to the Council of Ministers to make the appropriate decisions thereon.
3. Any other matters assigned thereto by the Council of Ministers, and which are necessary for the implementation of its tasks.

Article (3) Decisions of the Committee

The decisions of the Committee shall not become effective until they have been approved by the Council of Ministers.

Article (4) Meetings of the Committee

The Committee shall convene every three months and whenever necessary upon the invitation of its Chairman. Its meeting shall not be valid unless attended by four of its members. Its decisions shall be issued by the majority vote of the present members.

Article (5) The Public Debt Directorate

The "Public Debt Directorate" shall be established at the Ministry to handle the public debt affairs and the following tasks:

1. Examine the financial markets and observe the developments in capitals, cost of loans, and investments.
2. Examine the financial position of any agency that wants to borrow under the guarantee of the National Authority.
3. Examine the economic feasibility of projects proposed for financing through borrowing.
4. Examine the economic feasibility of loans and determine their cost burden.
5. Analyse and categorise data on loan obligations and compile periodic statistics.
6. Keep the registers needed to monitor the public debt.
7. Any other matters pertaining to public debt, entrusted therewith by the Minister.

Article (6) Provision of Data

All Government structures shall provide the Directorate with all the data related to their respective public debt every six months.

Chapter II: Public Debt Management

Article (7) Establishment of the Register

The Directorate shall establish a register to be called the "Government Securities Register" in which the following shall be registered:

1. The name of the owner of the Government security.
2. Primary data of the Government security and the interest incurred thereon.

3. Any change occurring in the ownership, mortgage, or attachment of the Government security.

Article (8) Use of the Computer

The Register may be maintained electronically and the data issued and signed by the Registrar shall be deemed equivalent to official documents.

Article (9) Trading of Government Securities

Registered data pertaining to the trading of Government securities at any relevant agency shall be deemed as evidence of their ownership.

Article (10) Exchange of Information

Information shall be exchanged on a daily basis among the Directorate, the Monetary Authority, the Securities Depository Centre and issuers of Government securities, through instruments or electronic means to ensure identical data at all these entities. For this purpose, data shall be matched by the Monetary Authority and the Management of the Capital Market Authority on a monthly basis.

Article (11) Borrowing

Subject to the provisions of any other Law, the Minister is considered authorised by the Council of Ministers to borrow on behalf of the Government in accordance with the provisions of this Law, provided that each case of borrowing is presented to the Council of Ministers for approval.

Article (12) Government Borrowing

Government borrowing shall be restricted to any of the following purposes:

1. To finance the General budget deficit.
2. To support the Balance of Payments.
3. To finance projects provided for in the Public Budget Law or any other law in order to counter contingencies.
4. To restructure the public debt.

Article (13) Compilation of the Government Securities Plan

The Minister, in consultation with the Governor and Director General of the Capital Market Authority, shall compile a plan on the issuance of Government securities, including the terms of subscription, repayment, and announcement thereof. He shall be entitled to modify the plan in the same manner.

Article (14) Specification of the Government Securities Management Issuance Conditions

In consultation with the Governor, the Minister shall specify the conditions for the issuance of Government securities as well as the total value of any issuance.

Article (15) Specification of the Categories of Securities

The categories of securities, texts written thereon, their specifications and forms shall be specified by a decision from the Council of Ministers based on the Minister's recommendation.

Article (16) Maturity Period

The maturity period of Government securities shall not exceed ten years from the date of issuance thereof. For treasury bills, it shall not exceed one year.

Article (17) The Announcement of Modification

None of the Government securities issuance conditions may be modified following the announcement and trading thereof.

Article (18) Conditions for the Accreditation of Persons

The conditions for accrediting the persons engaged in the initial offering of Government securities shall be specified by virtue of instructions issued by the Governor and Director General of the Capital Market Authority.

Article (19) Reports

The Ministry shall be responsible for public debt issuance. The Ministry shall provide the Governor and Director General of the Capital

Market Authority with monthly reports on the situations of such debt.

Article (20) Tradability of Securities

Without prejudice to the provisions of Article (7) of this Law, Government securities shall be tradable.

Article (21) Scope of Borrowing

The Government internal borrowing shall be restricted to borrowing through Government securities.

Article (22) Permissible Borrowing from Local Banks

The Government may borrow from local banks or any other financial institutions in the amount prescribed by the Law on the Annual Public Budget.

Article (23) Financial Guarantee

The Government shall not provide financial guarantees for any party whatsoever. However, such shall be permitted by way of exception in the event it pertains to investment projects necessitated by the national interest based upon a proposition from the Minister and the approval of the Council of Ministers.

Article (24) Internal Public Debt

The internal public debt issued in accordance with this Law, along with its due interests and awards, shall be deemed to be a privileged debt.

Article (25) Exemption of Profits

Profits generating from investment in Government securities, as well as their payable interests and awards, shall be exempted from taxation.

Article (26) Repayment of the Amounts

In the event the date of the repayment of any due amount of the public debt coincides with an official holiday of the Government or banks, the first working day that ensues it shall be the day on which the amount must be repaid, or in accordance with the provisions of the loan agreement.

Article (27) Cessation of Interest Payment

Payment of the interest of the Government debt security shall cease as of the date designated for its repayment, regardless of whether an application has been filed to pay its value or not.

Article (28) Consideration of the Public Debt as an Absolute Obligation

The public debt shall be deemed to be an absolute and unconditional obligation by the Government and shall be repaid from its resources. On an annual basis, sufficient funds shall be allocated in the Public Budget for the repayment and service of its obligations.

Article (29) Regulation of the Repayment

The repayment of the public debt shall be regulated by a bylaw to be promulgated by the Council of Ministers.

Chapter III: Management of the Public Debt and Principal

Article (30) Outstanding Balance of the Public Debt

The outstanding balance of the public debt shall not exceed, at any time, 40% of the Gross Domestic Product at the current prices of the latest year for which data is available.

Article (31) Setting the Maximum Lending Limits

The annual Public Budget specifies the maximum limits for new loans by the National Authority as well as the overdraft from local banks. It shall further set forth specific provisions for the payment of interests and repayment of the principal, which shall be paid during the year against the total debt.

Article (32) Management of the Government Debt

The Ministry shall be responsible for managing and monitoring the Government debt insomuch as it is the sole body authorised to sign the loan agreements of line ministries and public institutions of the National Authority in accordance with the laws and regulations in force. No other agency may do so.

Article (33) Restrictions on Borrowing

1. Line ministries and public institutions may not borrow.
2. The loan may not be used for purposes other than those for which borrowing was made except with a prior approval from the Council of Ministers based upon a recommendation from the Minister.

Article (34) Publishing of Decisions

The Ministry's decisions on the conditions of any borrowing or guarantee of transactions shall be published in the Official Gazette. The contractual conditions of the debt, which are set forth in conformity with this Law, may not be unilaterally amended.

Article (35) Earmarking of Appropriations

Line ministries, public bodies and institutions must earmark adequate appropriations in their draft budgets to cope with the burdens of the Government debt, which includes instalments, interests incurred on the amounts withdrawn and retained from the principal of the Government debt, differences arising from changes in exchange rates or the reassessment or rescheduling of the Government debt.

Article (36) Examination of the Financial Position

The Ministry must examine the financial position of any agency that wants to borrow against a guarantee provided by the National Authority with a view to verifying its ability to repay its obligations.

Article (37) Authorised Signatory

The Minister shall be the authorised signatory on behalf of the National Authority for all loan agreements.

Article (38) Reporting

The agency which obtains any loan against a guarantee from the National Authority must submit to the Ministry quarterly reports on its financial position and final accounts.

Chapter IV: Conclusive Provisions

Article (39) Submission of Debt Agreements to the Legislative Council

External public debt agreements shall be submitted to the Legislative Council for approval and shall be published in the Official Gazette.

Article (40) Promulgation of the Bylaw and Secondary Legislation

The Council of Ministers shall promulgate the Bylaw of this Law. In coordination with the Governor, the Minister shall issue forth the instructions and decisions necessary for the enforcement of its provisions.

Article (41) Repealing

Each provision that contradicts the provisions of this Law shall be repealed.

Article (42) Execution, Entry into Force and Publishing

All the competent authorities, each within the sphere of its jurisdiction, shall execute the provisions of this Law, which shall come into force after thirty days of its publishing in the Official Gazette.

Promulgated in the city of Gaza on November 23rd, 2005 *Anno Domini*, corresponding to Shawwal 21st, 1426 *Anno Hegira*.

Mahmoud Abbas

Chairman of the Executive Committee of the Palestine Liberation Organisation

President of the Palestinian National Authority

1.b. Presidential Decrees

Law by Decree No. 1 of 2010 Concerning Approval of the Appointment of the Chairman of the Commission for the Elimination of Illegal Gains

The President of the State of Palestine,

The Chairman of the Executive Committee of the Palestine Liberation Organisation,

The President of the Palestinian National Authority

Having reviewed the Amended Basic Law of 2003 and its Amendments, particularly Article (43) thereunder;

Having reviewed the Law of Illegal Gains No. (1) of 2005;

Having reviewed the Presidential Decision Concerning the Appointment of the Chairman of the Commission for the Elimination of Illegal Gains;

Based upon the powers vested in me;

In materialisation of public interest; and

In the name of the Arab Palestinian People,

I hereby promulgate the following Law by Decree:

Article (1)

Approval of the appointment of Mr. Rafiq Shakir Darwish an Natshah as a Chairman of the Commission for the Elimination of Illegal Gains.

Article (2)

This Law by Decree shall be presented to the Legislative Council in the first session it convenes for approval.

Article (3)

All the competent authorities "each one within its sphere of jurisdiction" shall implement the

provisions of this Law by Decree, which shall enter into force as of the date of its publication in the Official Gazette.

Promulgated in the city of Ramallah on September 3rd, 2010 *Anno Domini*, corresponding to Rabi' al Awwal 23rd, 1431 *Anno Hegira*.

Mahmoud Abbas

President of the State of Palestine

Chairman of the Executive Committee of the Palestine Liberation Organisation

President the Palestinian National Authority

Decree Law No. 7 of 2010 on the Amendment of the Law of Illegal Gains No. (1) of 2005

The President of the State of Palestine

The Chairman of the Executive Committee of the Palestine Liberation Organisation

The President of the Palestinian National Authority

Having reviewed the Amended Basic Law of 2003 and its Amendments, particularly the provisions of Article (43) thereunder;

Having reviewed the Law of Illegal Gains No. (1) of 2005;

Having reviewed the Penal Law No. (16) of 1960 A.D. and its Amendments in force in the Northern Governorates;

Having reviewed the Penal Law No. (74) of 1936 A.D. and its Amendments in force in the Southern Governorates;

Having reviewed the Law of the Judicial Authority No. (1) of 2002;

Having reviewed the Penal Procedure Law No. (3) of 2001;

Having reviewed the Anti-Money Laundering Decree Law No. (9) of 2007;

Based upon the powers bestowed upon me;

In realisation of the public interest; and

In the name of the Arab Palestinian people,

I hereby promulgate the following Decree Law;

Article (1) The Original Law

The title "The Law of Illegal Gains No. (1) of 2005 A.D." shall be replaced by the title "The Anti-Corruption Law No. (1) of 2005 A.D."

Article (2) Title of the Law

The phrase the "Original Law" shall hereinafter, wherever it is mentioned in this Law, mean the "Law of Illegal Gains No. (1) of 2005 A.D."

Article (3) Combating Corruption

The phrase the crime of "illegal gain" shall, wherever it is mentioned in the Original Law, be replaced for the purposes of the enforcement of this Law with the phrase the "crime of corruption".

Article (4) Definitions

Article (1) under the Original Law shall be amended so that it becomes as follows:

The following words and expressions, mentioned in this Law, shall have the meanings designated thereto hereunder unless the context determines otherwise:

The National Authority:	The Palestinian National Authority.
The President of the National Authority:	The President of the Palestinian National Authority.
The Legislative Council:	The Palestinian Legislative Council.
The Council of Ministers:	The Council of Ministers of the Palestinian National Authority.
The Commission:	The Anti-Corruption Commission.

The Chairman of the Commission:	The Chairman of the Anti-Corruption Commission.
Corruption:	<p>For the purposes of the enforcement of the provisions of this Law, the following shall be deemed as corruption:</p> <ol style="list-style-type: none"> 1. The crimes which violate the duties of the public function as well as the crimes which breach the public trust prescribed under the Penal Laws in force. 2. The crimes resulting from money laundering, which are provided for under the Anti-Money Laundering Law. 3. Each act that leads to the prejudice of public properties. 4. Abuse of power in contravention of the Law. 5. Acceptance of favouritism and nepotism in a manner that revokes a right and renders an injustice legitimate. 6. Illegal gain. 7. All the acts which are criminalised under Arab and international anti-corruption conventions, which the National Authority has ratified or acceded to.
Employee:	Each person who is appointed by a decision from a competent body to occupy a position included on the Civil or Military Employment Structure Regulation in the budget of a government department, whatsoever the nature or title of such a position.

Properties:	The assets of all types, whether they are material or immaterial, movable or immovable, as well as the legal documents or deeds which establish the title to such assets, or the existence of a right thereto.
Nepotism and favouritism:	The making by an employee of a decision or intervention for the benefit of an unentitled person or body or preferring them to others for unprofessional considerations, such as partisan, familial, religious or factional affiliation in order to gain a material or immaterial benefit.
The Court:	The panel of court that is competent of adjudicating corruption crimes.

Article (5) Persons Subject to the Provisions of this Law

Article (2) under the Original Law shall be amended so that it becomes as follows:

Subject to the provisions of this Law shall be:

1. The President of the National Authority and his advisors and the heads of institutions reporting to the President's Office.
2. The Chairman and members of the Council of Ministers, and those alike.
3. The Speaker and members of the Legislative Council.
4. Members of the Judicial Authority and Public Prosecution and respective employees.
5. Heads of the bodies and agencies of the National Authority.
6. The Governors and heads, members and functionaries of the Councils of Local Bodies.
7. Employees.
8. Chairpersons and members of the boards of directors and staff members of public shareholding companies, in which the

- National Authority or any of its institutions is a shareholder.
9. Collection officers, their deputies, and trustees of deposits and banks.
 10. Arbitrators, experts, official receivers, creditor agents and liquidators.
 11. Heads and members of the boards of directors of public commissions and institutions, charitable associations and civil society organisations, which enjoy the independent personality and financial and administrative independence.
 12. Parties and unions, and those alike, as well as functionaries in any of them even if they do not receive support from the Public Budget.
 13. The persons assigned with a public service in relation to the work, with which they are assigned.
 14. Any non-Palestinian person who occupies a position in any of the legislative, executive and judicial institutions of the National Authority, and any person who exercises a public function for the benefit of any public body or public installation or civil society organisation belonging to a foreign country or public international institution.
 15. Any other person or body that the Council of Minister decides to submit to the provisions of this Law.

Article (6) Establishment of the Commission

Article (3) under the Original Law shall be amended so that it becomes as follows:

1. In pursuance of the provisions of this Law, a commission to be called the "Anti-Corruption Commission" shall be established. It shall enjoy the juridical personality as well as the administrative and financial independence. A special budget [line item] shall be designated to it within the Public Budget of the National Authority. In such a capacity, it shall be entitled to conduct all the legal dispositions expedient to achieve its objectives, and shall have the right to conclude contracts and resort to the Judiciary. The Public Prosecution, which is delegated to the Commission, shall represent it before the courts.
2. The main office of the Commission shall be in the city of Jerusalem. By a decision from the Chairman of the Commission, branches or offices thereof may be established throughout governorates of the Homeland.
3. The Chairman of the Commission shall be appointed upon a decision from the President of the National Authority based upon a recommendation from the Council of Ministers.
4. The Chairman of the Commission shall make, before he commences his tasks, before the President of the National Authority and in the presence of the Speaker of the Legislative Council and Chairman of the High Judicial Council, the following oath: "I hereby swear by the Almighty God to be sincere to God and to the homeland, and to respect the constitutional order, laws and regulations, and to perform the duties assigned to me in honesty and trustworthiness. God shall be witness to what I say."
5. The Chairman of the Commission shall appoint a sufficient number of employees and consultants in order to enable the Commission to perform its tasks. Their grades, salaries, honorariums and increments and all their functional and financial entitlements shall be determined in accordance with a relevant regulation.
6. As an exception from the provision of the Paragraph above, the Chairman of the Commission and all functionaries thereat shall be subject to the effective Retirement Regulations and shall benefit from the governmental health insurance in accordance with the Law.
7. The Chairman of the Commission shall establish an advisory council, to include personalities who are recognised for their experience and competence, to consult with it about the issues presented to him.
8. A Deputy Chairman of the Commission shall be appointed based upon a decision from the President of the National Authority and recommendation of the Chairman of the Commission. The Deputy Chairman of the Commission shall assume the tasks of the Chairman of the Commission in the event of his absence.

9. The Chairman of the Commission and all of the functionaries thereof must disclose their properties and the properties of their spouses and minor children before they commence their work. These assets shall be kept at the Commission in relation to the functionaries and at the High Court in relation to the Chairman of the Commission.

Article (7) Presidency of the Commission

Article (6) under the Original Law shall be amended so that it becomes as follows:

The term of the presidency of the Commission shall be seven non-renewable years.

1. The Chairman of the Commission may not be dismissed from his tasks unless he is convicted by a definitive judgement of the crime of the breach of the duties and tasks delegated to him or he commits any act of moral turpitude or any act or disposition that falls within the scope of corruption in accordance with the provisions of this Law.
2. The Chairman of the Commission shall be relieved from his tasks upon a decision from the President of the National Authority in the following cases:
 - a. Approved resignation.
 - b. In the event he loses a condition of his appointment.
 - c. His loss of legal eligibility in accordance with a decision from the competent Court.

Article (8) Capacities of the Commission

Article (8) under the Original Law shall be amended by the addition of the following paragraphs thereto after Paragraph (3) as follows:

1. Verify the suspicions of corruption, which are perpetrated by the persons who are subject to the provisions of this Law.
2. Raise awareness of the society, including all of its official and nonofficial levels, and enlighten it of the dangers of the crimes of corruption and their impacts on the economic, social and political development as well as how to prevent and combat them, through;

- a. Collecting information on all forms and types of corruption and working towards creating a database and information systems and exchanging them with the bodies and commissions concerned with the issues of corruption inside and outside [Palestine] in pursuance of the legislation in force.

- b. Coordinating with all institutions of the National Authority in order to consolidate and develop the measures necessary to prevent corruption crimes as well as to upgrade mechanisms and means to combat them.

- c. Coordinating with media outlets in order to exercise an effective role in publicising the culture of integrity and combating of corruption within the society.

- d. Working towards promoting the contribution and participation of civil society organisations and educational institutions in anti-corruption activities, launching public sensitisation about its dangers and impacts, and consolidating the culture of zero tolerance with corruption and corrupt individuals.

3. Make the anti-corruption public policy in cooperation with relevant bodies as well as develop the plans and programmes necessary to implement it.

4. Develop periodic handouts which reveal the dangers of corruption, favouritism and nepotism on institutions and public administrations of the National Authority.

5. Review, evaluate and examine the legislation pertaining to combating corruption and propose amendments thereto in line with applicable procedures.

6. Liaise and cooperate with Arab, regional and international bodies, organisations and commissions concerned with combating corruption and take part in the programmes aiming to prevent such a type of crime.

7. Develop the annual report of the Commission

Article (9) Powers of the Commission

Article (9) under the Original Law shall be amended so that it becomes as follows:

Notwithstanding the provisions of the Penal Procedure Law and other respective Laws, the Commission shall, in the course of the implementation of its tasks and capacities, be entitled to the following:

1. Receive reports, notices and complaints in relation to corruption crimes, which are submitted to it; scrutinise and follow up on them; carry out activities of inquiry and collection of evidence thereon; uncover contraventions and violations; collect evidence and information thereon; and initiate investigation and proceed with the expedient administrative and legal procedures in accordance with the provisions of this Law and relevant legislation.
2. Prosecute each person who violates the provisions of this Law, seize his movable and immovable properties, prevent him from travelling, and request that the concerned authorities suspend him from work, cease his salary and increments and all of his financial entitlements when necessary, and amend or revoke any of those decisions in pursuance of the legislation in force.
3. Summon witnesses and the concerned public servants or employees of the private sector or any relevant persons for inquiry and investigation about an incident relating to a crime of corruption.
4. Request or access any files, data, papers, documents or information, or obtain copies thereof from the body, where these are present, including the bodies which deem all these to be of confidential circulation in accordance with the legal procedures in force.
5. Coordinate with the competent authorities to track, seize and restore the properties and revenues accrued from corruption crimes, provided that the decision of seizure thereon is entered by the Court, which is competent of adjudicating the case.
6. The Commission shall be entitled to commence the inquiries and

investigations necessary to follow up on any corruption crime either *sua sponte* or based upon a notification or complaint dispatched to it from any entity. In the event it appears with the conclusion of the case or investigation that the notification or complaint, which was dispatched to the Commission, was false or vexatious, its applicant shall be referred to the competent judicial bodies so that he is punished in line with the applicable legal rules.

7. Each company, association, civil society organisation, union or any of the juridical entity subject to the provisions of this Law, with the exception of public administrations, in the event their directors, board members, representatives or functionaries perpetrate in their name or using any of their means a crime of those identified by this Law, the Commission shall be entitled, and as the occasion may be, request that the Court suspend it from work, or dissolve any of these bodies, liquidate their properties, and deprive each person associated with the perpetrated crime from incorporating any similar body or be a member on its board or a director thereof for a period of not less than one year and not more than five years.
8. The right to set in motion actions of the crimes defined by this Law shall be through the Public Prosecution and shall be commenced in accordance with the provisions of this Law and other respective legislation. Such actions shall not be lodged by any other party except in the cases defined by the Law. Following its motion, the action may not be ceased, waived, abandoned or reconciled except in the cases identified by the Law.
9. Notwithstanding the provision of any other piece of legislation, the Commission shall adhere to issuing its decisions regarding the files, which are being handled by it, immediately following the completion of its procedures, which are defined by the Law.

Article (10) Suspicion of the Existence of Corruption

Article (17) under the Original Law shall be amended so that it becomes as follows:

1. If, in relation to the categories prescribed in Paragraphs (1, 2, 3, and 4) under Article (5) of this Law, with the exception of the President of the National Authority, the existence of strong suspicions appears to the Commission regarding the perpetration of one of the crimes included under this Law, the Chairman of the Commission shall refer the matter to the President of the National Authority in relation to the Prime Minister and his advisors and to the Prime Minister in relation to the ministers and those alike, and to the High Judicial Council in relation to the members of the Judicial Authority and Public Prosecution in order to take the expedient legal procedures in accordance with the Basic Law and respective legislation.
2. In the event strong suspicions exist as to the perpetration by the Chairman of the Commission of one of the crimes included under the provisions of this Law, the President of the National Authority shall refer the matter to the Legislative Council in order to commence the procedures of scrutiny and investigation. In case the Council decides by an absolute majority that such suspicions necessitate referral to the Court, it shall decide to revoke the immunity of the Chairman of the Commission, suspend him from his work, and refer the matter to the competent Court for adjudication.

Article (11) Submission of Information

Article (18) under the Original Law shall be amended so that it becomes as follows:

1. Each person who possesses serious information or documents in regard of a corruption crime, which is prescribed under this Law and was committed by any employee, must submit it to the Commission or file a complaint thereon against its perpetrators.
2. The Commission shall guarantee to the witnesses, experts and whistleblowers, who are of good faith, the provision of legal, functional and personal protection. The procedures of their protection as well as respective measures shall be identified in accordance with a regulation to be developed by the Commission and issued forth by the Council of Ministers.

Article (12) Accountability “Where did you get this from?”

Article (20) under the Original Law shall be amended so that it becomes as follows:

In the event it appears to the Commission that the complaint is serious, it shall request the person against whose wealth a contest is being lodged to state the source of such wealth. If the Commission is not convinced of the legitimacy of the source of such wealth, it must prove by means of the investigations it conducts the illegitimacy of such wealth.

Article (13) Referral of the File to the Public Prosecution

Article (21) under the Original Law shall be amended so that it becomes as follows:

If, during investigations regarding notices and complaints submitted, the existence of strong suspicions appears in respect of the occurrence of a corruption crime, the Chairman of the Commission shall decide, after conducting the necessary examination, to refer the papers to the Public Prosecution delegated to the Commission in order to take the expedient measures in accordance with the provisions of this Law and other respective laws.

Article (14) Penalties

Article (25) under the Original Law shall be amended so that it becomes as follows:

1. Where a respective provision is not prescribed under the Penal Law or any other law in force, each person who is convicted with any of the crimes defined under this Law shall be punished with a penalty of either or both [confinement] from three to fifteen years, and a financial fine that reaches the amount of the properties the subject of the crime, in addition to the restoration of the properties accrued from the crime.
2. Any offender who takes the initiative to notify the Commission of a corruption crime before it or any of the competent authorities is knowledgeable thereof shall be exempted from the penalty. In the event the notification takes place after the crime is recognised, exemption must be like the matter of notification;

the offenders shall be to apprehend and properties the subject of the crime [seized].

Article (15) Tasks of the Chairman of the Commission

The addition of a new article to the Original Law to bear number (6 *bis*) after Article (6) as follows:

1. In addition to the tasks and powers provided for under this Law, the Chairman of the Commission shall assume the following tasks and powers:
 - a. Represent the Commission before third parties.
 - b. Supervise administratively and financially the Commission as well as the employees and functionaries thereat.
 - c. Issue forth the decisions necessary to implement tasks of the Commission and achieve its objectives.
 - d. Approve the annual budget of the Commission and submit it to the Council of Ministers for endorsement.
 - e. Establish the committees necessary for the operation of the Commission and identify their tasks in the decision on their establishment.
 - f. Develop the organisational and functional structure of the Commission and submit it to the Council of Ministers for approval.
 - g. Request the delegation or secondment of any of the employees to work at the Commission in accordance with respective Laws.
 - h. Approve the annual report of the Commission and submit it to the President of the National Authority, Council of Ministers and Legislative Council.
 - i. Sign on the agreements and contracts which the Commission concludes.
 - j. Any other tasks pertaining to the operation of the Commission and accomplishment of its objectives.

2. The Chairman of the Commission shall be entitled to authorise some of his powers, which are prescribed under this Law and the regulation issued forth in accordance with it, to his Deputy or to any of the senior employees at the Commission, provided that the authorisation is written and for a limited period of time.

Article (16) The Competent Court

The addition of a new article to the Original Law to bear number (9 *bis* 1) after Article (9) as follows:

1. Upon a decision from the High Judicial Council based upon a request by the Chairman of the Commission, a competent court shall be constituted to adjudicate issues of corruption crimes wherever they occur. It shall convene under the presidency of a judge in the rank of a Presiding Judge of a Court of First Instance with membership of two judges, the ranks of whom shall not be less than a judge of a Court of Instance.
2. The Court panel shall convene in the city of Jerusalem or in any other area designated by the Presiding Judge of the Court. The provisions and procedures defined under the Laws in force shall be applicable to its sessions and to the manner of entering its decisions.
3. The Court panel shall commence to hear any case, which is submitted to it, within a period of not more than ten days from the date of its submission. It shall hold its sessions for this purpose on consecutive days. The trial may not be postponed for more than three days except when necessary and for reasons to be mentioned in the decision on postponement. Such shall be applicable to all grades of litigation.
4. The Court panel shall enter its decision on any case in which the trial has been concluded as soon as practicable within a period that does not exceed ten days from the date of the conclusion of the trial. The Court shall be entitled to postpone it for this purpose only once for a period of not more than seven days.
5. The rulings entered by the Court shall be subject to methods of objection in accordance with the Penal Procedure Law.

Article (17) The Public Prosecution

The addition of a new article to the Original Law to bear number (9 bis 2) after Article (9) as follows:

1. Based upon a request by the Chairman of the Commission, a sufficient number of members of the Public Prosecution, including an Assistant Prosecutor, shall be delegated to work with the Commission for a period of two renewable years.
2. With reference to the provisions of the previous Paragraph, the delegation shall be in place in accordance with the procedures applicable under the Law of the Judicial Authority.
3. Members of the Public Prosecution, who are delegated to the Commission, shall be competent of investigating any crime of those prescribed under this Law as well as of setting the action in motion before the competent Court and carrying out all necessary legal processes throughout governorates of the Homeland.
4. The delegated Public Prosecution shall commence, with assistance of the Commission's employees who enjoy the capacity of the Judicial Police, the investigation procedures, which they must perform in a summary fashion and without any unjustifiable delay or slowness in such procedures.

Article (18) Repealing

1. Articles bearing numbers (13, 14, and 15) shall be repealed from the Original Law.
2. Each provision which contradicts the provisions of this Law shall be repealed.

Article (19) Regulations

Based upon the recommendation of the Chairman of the Commission, the Council of Ministers shall promulgate the regulations necessary for the enforcement of the provisions of this Law.

Article (20) Presentation to the Legislative Council

This Decree Law shall be presented to the Legislative Council in the first session it holds for approval.

Article (21) Enforcement and Entry into Force

All the competent authorities, each within the sphere of its jurisdiction, shall implement the provisions of this Decree Law, which shall enter into force as of the date of its publication in the Official Gazette.

Promulgated in the city of Ramallah on June 26th, 2010 *Anno Domini*, corresponding to Rajab 8th, 1431 *Anno Hegira*

Mahmoud Abbas

President of the State of Palestine

Chairman of the Executive Committee of the Palestine Liberation Organisation

President of the Palestinian National Authority

2. Executive Decisions

Decision No. 3 of 2006 of the High Judicial Council on the Code of Judicial Conduct

Having reviewed the *Law of the Judicial Authority No. 1 of 2002*,

Following the approval of the High Judicial Council, and

Pursuant to the powers bestowed upon the Council in Article 80 of the *Law of the Judicial Authority No. 1 of 2002*,

I hereby promulgate the following:

Chapter I. Judicial Independence

Article (1)

A judge must safeguard his independence and distance himself from the acceptance of any intervention or review from other authorities in the cases which he examines and remember that there is no authority over him in rendering his judgment to any party other than the law.

Article (2)

A judge must not entreat any of his colleagues in his judgment nor accept any entreaty from any of them in this regard. He must also remember that he and they are vowed to achieve justice.

Article (3)

A judge must not allow the adversaries and lawyers or any person to intervene with or influence his judgment.

Article (4)

Entreaty from a judge by any person or any party with regard to a case examined before him may not be allowed, nor shall be intermediation with regard to a case examined before any other judges.

Article (5)

A judge shall be prohibited from exercising commercial activities or being a member of the boards of directors of companies and institutions or any other authority. He shall also be prohibited from assuming any other function or profession.

Article (6)

A judge shall be prohibited from performing acts of arbitration in cases other than those permitted by the law.

Article (7)

A judge shall be prohibited from affiliating with political parties and assemblies.

Article (8)

A judge must notify the President of the Judicial Council of each incident of hegemony or influence upon him by any of his colleagues, judgment on his judicial activities, or being subjected to influence or hegemony.

Chapter II. The Guarantees of the Judge

Article (9)

A judge must adhere to the openness of the trial, unless he decides to conduct it *in camera* in compliance with the requirements of public order or the preservation of morals.

Article (10)

In the cases other than those permitted by the law, a judge shall be prohibited from referring, in his judgment, to his personal information or

any other evidence that was not submitted in the action and which was not discussed with the adversaries in public. The deviation from the rationale of conclusive evidence submitted in the action shall be the indicator of his having been influenced.

Article (11)

Taking into consideration the permission of the adversaries or their attorneys to explain their juristic and legal opinions during the trial sessions, a judge may not hear one of them in the absence of the other outside of such sessions which may affect his judgment, regardless of whether such would achieve justice.

Article (12)

A judge must notify the adversaries and the Prosecution of any petition with regard to the actions brought before him.

Article (13)

A judge shall closely examine the evidence submitted in the action which is examined before him and make his effort in the course of reaching the truth, then issue his judgment pursuant to the rules of the law and settled judicial discretion. If he does not reach a judgment, he must endeavour to implement the principles of right and justice.

Article (14)

A judge must refrain from adjourning sessions for unjustified reasons, particularly the adjournment for the selfsame cause or in compliance with the request of any of the two adversaries upon the absence of the other. He must also heed the respites of adjournment determined by the law.

Article (15)

A judge may not postpone the issuing of decisions which facilitate the adjudication of the dispute more than once. With regard to conclusive judgments, he must issue them within the respites determined by the law. Otherwise, a judge must issue them within a reasonable period from the close of the trial. In the event of the contravention of the appointments referred to, the President of the Court or the responsible judge must notify the Judicial Inspection of the status quo.

Article (16)

A judge may not express his opinion in advance in the dispute brought before him, whether for the adversaries or others. In addition, he may not take part in any search, legal examination, or discussion, knowing that such would lead to the inference of his opinion in such dispute.

Article (17)

A judge or family members whom he supports may not accept or request a gift, remuneration, or benefit for himself or for others or a loan which he would not have gained if it were not associated with his judicial activity or which is anticipated to be related to such activity or for its abstention, except that he may accept legal books submitted by their authors.

Article (18)

Upon the exercise of his judicial activity, a judge must be equal to all persons in his speech and conduct, whether the persons are parties to the dispute or otherwise (witnesses, lawyers, officials at court, or peers in a profession) and must not discriminate between them for reasons pertaining to religion, race, colour, or any other reason. He must also request his subordinate officials to abide thereby.

Article (19)

A judge must not initiate conduct which suggests or creates an impression that members of his family or any other person exert influence upon his approach in his judgment. He must, to the most possible extent, prevent these from creating such an impression to others.

Article (20)

A judge must abdicate the action in the event of any reason of incompetence as set forth in the law.

Article (21)

A judge must notify the President of the Court when the judge hears a particular action and any of the reasons of recusal applies to him or when he feels embarrassed.

Chapter III. The Judicial Conduct

Article (22)

A judge must perform his judicial duties without preference, prejudice, discrimination, or partiality. On the contrary, he must perform them in a manner that promotes confidence in the independence and integrity of the Judiciary.

Article (23)

A judge must offer advice to his colleague to abstain from any erroneous conduct. If such conduct constitutes an offence, he must notify the competent authority thereof.

Article (24)

A judge must take the necessary legal procedures against any official who commits an erroneous conduct if the official reports to him.

Article (25)

A judge must not hesitate to take the necessary legal procedures against any person who commits an erroneous act inside the court.

Article (26)

A judge must open trial sessions at an early time during the official working hours. If the time of the session is specified in the register of the trial, he must comply therewith and open the session at that time.

Article (27)

A judge may not be absent from his work without a prior permission from his superior unless the absence is due to a compelling reason. He must attend his work place and leave it at the times specified for official working hours, so that he acts as an example for those working with him, as well as a motive for the respect of litigants.

Article (28)

A judge must give his judicial activity precedence and grant it priority with relation to other activities which he may assume.

Article (29)

A judge must not allow court officials who are subject to his supervision to violate the aspects of justice between the adversaries in an examined judicial action or accept a gift, remuneration or loan from any of them. In addition, he must prosecute all those who commit such an act.

Article (30)

A judge must preserve the solemnity of the court during the trial sessions. Under all circumstances, he must be patient, sober, a good listener, and gentle in his dealing with the adversaries, he must project self-respect, a strong personality, and elated sentiment. Through his conduct, appearance, and logic inside and outside of the court, he must enhance the confidence of the public in his integrity, as well as the integrity of the judicial system, and demonstrate that he shows no preference, prejudice, or partiality.

Article (31)

A judge shall be prohibited from the revealing secrets of discussions before and after the issuance of the judgement and in all the cases set forth in the law.

Article (32)

By his conduct in his private life, a judge must confirm that he is beyond suspicion, act in a manner that leads to the trust of laymen in his integrity and uprightness, and behave in a way that reflects the respect of the Judicial Authority.

Article (33)

Taking into consideration that a judge has his own community, including his family, relatives and friends, he must limit his and their participation in social functions and the acceptance of invitations which may arouse suspicion about him or which may lead to his incompetence in the hearing of an action or allow his recusal.

Article (34)

A judge may take part in special activities, provided that they do not arouse suspicion about his integrity and that such activities are

organised in a manner that does not clash with the working hours and the performance of the duties of his function.

Article (35)

A judge shall be prohibited from expressing any comments or opinions about the actions which he himself or his colleagues have examined, whether in public or private councils, unless it is for the purposes of judicial training or academic research.

Article (36)

A judge must not exploit the status of his judicial position to promote his personal interests or the interests of a member of his family or any other individual.

Article (37)

A judge shall be prohibited from disclosing his functionary capacity or from beckoning its authority in situations which he undergoes and which may affect the sacredness of his message.

Article (38)

A judge must limit his relations with lawyers or others who exercise functions on a permanent basis at the court in which he works, to the extent that protects him from the suspicion of prejudice or impartiality.

Article (39)

In a manner that does not contradict the provisions of the law and his functionary duties, a judge shall be entitled to express his opinion in all manners of expression.

Chapter IV. Competence and Capacity

Article (40)

A judge must be informed of all laws and regulations in force in Palestine and their amendments. He must also be acquainted with the interpretations related thereto.

Article (41)

1. A judge must follow all judicial decisions issued by the High Court and observe the

decisions settled thereat with regard to controversial issues.

2. He must adopt the decisions of the general assemblies of such courts until they are revoked by explicit decisions.

Article (42)

A judge must be informed of bilateral and multilateral international agreements to which Palestine is a party.

Article (43)

• A judge must attend the training courses, seminars, and workshops which the Judicial Council assigns to him.

• He must submit a written report at the end of each course using a form that is prepared in advance for such purpose.

Article (44)

A judge must adhere to improving his personal skills through specialised courses in which he takes part, particularly various computer uses, communication means, and acquisition of languages.

Article (45)

This Code of Conduct shall enter into force as of 10 May, 2006 and shall be published in the *Official Gazette*.

Issued in the city of Ramallah on 10 May, 2006 AD, corresponding to 12 Rabi' al Akhar 1426 AH.

Judge Isa Abu Sharar

President of the High Court

President of the High Judicial Council

Decision No. 56 of 2010 Concerning the Appointment of the Chairman of the Commission for the Elimination of Illegal Gains

The President of the State of Palestine,
The Chairman of the Executive Committee of
the Palestine Liberation Organisation,

The President of the Palestinian National
Authority

Having reviewed the Amended Basic Law of
2003 and its Amendments, particularly Article
(43) thereunder;

Having reviewed the Law of Illegal Gains No.
(1) of 2005;

Based upon the recommendation of the
Council of Ministers of March 8th, 2010;

Based upon the powers vested in me; and

In materialisation of the public interest,

I hereby promulgate the following Decision:

Article (1)

Appointment of Mr. Rafiq Shakir Darwish an
Natshah as a Chairman of the Commission for
the Elimination of Illegal Gains in the grade of
a Minister.

Article (2)

All that contradicts the provisions of this
Decision shall be repealed.

Article (3)

All the competent authorities " each one
within its sphere of jurisdiction " shall
implement the provisions of this Decision,
which shall enter into force as of the date of its
publication in the Official Gazette.

Promulgated in the city of Ramallah on March
9th, 2010 *Anno Domini*, corresponding to Rabi'
al Awwal 23rd, 1431 *Anno Hegira*.

Mahmoud Abbas

President of the State of Palestine

**Chairman of the Executive Committee of the
Palestine Liberation Organisation**

**President of the Palestinian National
Authority**

Chapter II: Procedures of the Budget and Financial Transactions at Institutions of the Palestinian National Authority

1.a. Laws

Law No. 7 of 1998 on the Organisation of the General Budget and Financial Affairs

The Chairman of the Executive Committee of the Palestine Liberation Organisation,

The President of the Palestinian National Authority,

Having reviewed the *Law of the Organisation of the General Budget No. 39 of 1962* in force in the Governorates of the West Bank,

Having reviewed the draft law submitted by the Budget and Financial Affairs Committee of the Legislative Council, and

Based upon the approval of the Legislative Council,

I hereby promulgate the following law:

Part I. Definitions and General Provisions

Article (1)

In applying the provisions of this law, the following terms and expressions shall have the meanings specified below, unless the context determines otherwise:

National Authority:	The Palestinian National Authority
President:	The President of the National Authority
Council of Ministers:	The Council of Ministers of the National Authority
Legislative Council:	The Palestinian Legislative Council
Ministry:	The Ministry of Finance
Minister:	The Minister of Finance
Competent Minister:	The Minister in relation to his Ministry and the Departments attached to it.

Institution: Any authority, body or institution which is a corporate entity with financial and administrative autonomy and the budget of which is not included in the General Budget of the National Authority.

Public Institution: Any authority, body or institution in Palestine which is a corporate entity and the budget of which is included in the General Budget of the National Authority.

General Budget: A detailed programme for the expenditure and revenues of the National Authority for a specific fiscal year that includes the annual estimates for the revenues of the National Authority, grants, loans, sundry expenses, disbursements and all other proceedings pertaining thereto.

Institutional Budget: The budget of any institution, comprising the annual estimated collections, including transfers by the National Authority, expenditures and other disbursements.

Local Bodies Budget: The budget of any local body, comprising the estimated annual collections, including transfers by the National Authority, expenditures and other disbursements.

Fiscal Year: It shall begin on the 1st of January and end on the 31st of December of each calendar year.

Accounting System:	The set of rules, procedures and organisational measures approved by the Ministry of Finance to organise, record and register all financial transactions pertaining to the entirety of collections and disbursements. It shall be implemented in each ministry and public institution attached to the National Authority.
Public Funds:	The movable and immovable cash and in-kind funds of the ministries, public institutions, local bodies and corporations of the National Authority.
Revenues:	The tax and non-taxation revenues, grants and other revenues obtained by the National Authority.
Taxation Revenues:	The income taxes, profits and local taxes on commodities and services, as well as all other taxes which may be imposed.
Non-Taxation Revenues:	The profits from companies owned by the National Authority or in which it is a direct or indirect shareholder, as well as administrative fees, fines, confiscations, and other non-taxation revenues.
Local Bodies Revenues:	The taxation and non-taxation revenues, grants, transfers by the National Authority and all other revenues obtained by local bodies.
Grants:	The local and external grants, whether they are in cash or in kind.
Expenses:	The running, capital and development expenses.
Running Expenses:	The salaries, wages, allowances, operating and transformation expenditure of the ministries, public institutions and other executive bodies of the National Authority.

Capital Expenses:	The ownership of capital assets and capital transfers to projects and other developmental expenditures.
Special Funds:	The public financial bodies and accounting units established by law for the realisation of general and specific objects, whose collections and expenditures are prepared outside the unified fund of the National Authority within the budgets of the National Authority or local bodies, pursuant to Article 11 of this law.
Budget Department:	<p>The administrative unit in the Ministry of Finance responsible for:</p> <ol style="list-style-type: none"> 1. Preparing the General Budget of the National Authority and the budgets of public institutions, as well as for following up on these budgets throughout all stages of the budget process, including budget implementation. 2. Preparing the forms, procedures, and time tables in order to submit the revenue and expenditure estimates of the ministries, public institutions, local bodies, and corporations. 3. Formulating the circulars pertaining to the preparation of the budget.

Treasury Department:	<p>The administrative unit in the Ministry of Finance responsible for:</p> <ol style="list-style-type: none"> 1. Formulating the rules and procedures which pertain to the implementation of the General Budget, local budgets, private funds, budgets of the public institutions and corporations, as well as for formulating the account coding for the financial transactions (financial item) in a manner consistent with the sorting and classification of the General Budget. 2. Cash management and organising the banking arrangements for the National Authority. 3. Managing, organising, supervising and controlling the various financial resources. 4. Compiling the periodical and annual accounts of the financial transactions of the ministries, public institutions and special funds, as well as issuing the periodic reports thereto. 	Closing Account:	<p>The account prepared in accordance with accounting principles and the unified accounting system and which includes a budget account statement, as well as the actual and real figures at the end of the fiscal year.</p>
General Treasury Account:	<p>The central account managed by the Ministry of Finance in which all collections are deposited and from which all disbursements of the National Authority are made.</p>	Cash Financial Position:	<p>A statement of the National Authority's financial position at a certain period of time or at the end of a fiscal year. It comprises the assets margin, including the cash liquidity, of the National Authority, the liability and obligations margin toward third parties in accordance with the accounting basis, as well as standards which are regulated by law.</p>
General Revenue Account:	<p>A special account managed by the Ministry of Finance, into which the revenues are temporarily deposited to transfer them to the General Treasury Account.</p>	Budget Surplus and Deficit:	<p>The total revenues less expenses, loans and payments, are called the General Budget surplus if the former surpasses the latter. However, it is called the General Budget deficit if the latter surpasses the former.</p>
		Financial Employee:	<p>Any employee appointed in the National Authority, who is responsible for receiving, keeping, disbursing or controlling public funds, or organising financial books and documents, or making financial entries, or transcribing financial entries into the respective forms; an employee with the function of managing public funds or preparing costing accounts, analysis and financial planning.</p>
		Internal Auditing Staff:	<p>A group of individuals appointed by the Ministry of Finance to audit the financial transactions relating to the collections and disbursements of ministries and public institutions in accordance with a specific purpose system. The staff shall be directly attached to the Ministry of Finance.</p>

Bureau of Financial and Administrative Control: The external control staff who audits and controls the finances of each ministry, public institution, local body, corporation and special fund.

Financial Control Units: Groups of individuals who are attached to the Bureau of Financial and Administrative Control.

Article (2)

The name of this law shall be the *Law of the Organisation of the General Budget and Public Finances*. It aims to organise the preparation, approval, implementation and control of the General Budget at its various stages, as well as to organise the financial affairs of the National Authority.

Article (3)

1. The Council of Ministers shall submit the Draft General Budget Law to the Legislative Council at least two (2) months prior to the beginning of the next fiscal year.
2. The Legislative Council shall refer the draft to the Budget and Financial Affairs Committee for studying and expressing its opinion thereon in detail, as well as for transmitting its recommendations to the Legislative Council.
3. The Legislative Council shall hold a special session to discuss the Draft General Budget Law in the light of the report and recommendations of the Budget and Financial Affairs Committee. The Legislative Council shall approve the draft, together with the amendments, prior to the beginning of the new fiscal year or return it to the Council of Ministers within a period of one (1) month from the date of its submission, along with the required amendments of the Legislative Council. The Council of Ministers shall return the draft to the Legislative Council within a period of two (2) weeks from the date of its referral in order to adopt it.
4. The voting on the General Budget shall be title by title.
5. Notwithstanding the provisions of this law, it shall be prohibited to make transfers

between the titles of the budget except by the approval of the Legislative Council.

Article (4)

If it is not possible to approve the *Draft General Budget Law* prior to the beginning of the new fiscal year, the Ministry shall have the authority to collect the revenues in accordance with the mechanisms, conditions and rates set forth in the legislation in force. Expenditures shall continue through monthly appropriations at the rate of one-twelfth (1/12) for each month of the budget of the past fiscal year for a period not to exceed three (3) months.

Article (5)

The *General Budget Law* shall set out the means for utilising the budget surplus or financing the deficit. The deficit of the General Budget shall be financed through the reduction of expenses, the increase of revenues, or local or foreign borrowing.

Article (6)

All revenues and collections of the National Authority shall be transferred to the General Treasury Account and enter the General Budget, unless this law determines otherwise. No public funds shall be allocated or disbursed for any purpose whatsoever, except pursuant to the law.

Article (7)

No tax or fee shall be imposed except pursuant to the law. Fees levied by the Treasury Department relating to activities of the executive bodies of the National Authority, such as services to individuals or interests in return for the utilisation of public funds, shall not be included in the chapter thereof.

Article (8)

In cases other than those set forth under this law, it shall be prohibited to exempt anyone from paying taxes and fees.

Article (9)

The Council of Ministers may issue bylaws for controlling the expenditure of public funds and for regulating and managing public assets.

Article (10)

The Ministry of Finance shall be responsible for managing the General Treasury Account and operate it pursuant to the instructions of the Minister.

Part II. The General Treasury Account of the National Authority

Article (11)

The Ministry shall establish and manage a unified fund for the National Authority called the 'General Treasury Account', into which all revenues, loans, grants and other collections of the National Authority shall flow and from which all disbursements of the National Authority shall be made, except those set forth in Article 17 below.

Article (12)

No expenditure shall be disbursed from the General Treasury Account except under the appropriations determined by the law.

Article (13)

The cash resources of the unified fund shall be kept in one account called the 'General Treasury Account' with the Palestinian Monetary Authority.

Article (14)

No ministry, public institutions or other executive body of the National Authority may open accounts with the Palestinian Monetary Authority or with any other bank except by written permission of the Ministry.

Article (15)

Except for what is set forth in this law or any other law, no individual, public institution or executive body of the National Authority shall have the right to disburse any amounts from the unified fund or conclude any obligation under which a subsequent disbursement may result.

Article (16)

In case of a legal undertaking to settle the amount of the collections of the unified fund prior to the entry into force of this law, the

settlement shall be made even if there is no appropriation therefor.

Article (17)

Unless an exception by law, an international agreement, or a legal contract is available, all revenues of the National Authority shall be transferred immediately and in full to the unified fund. It shall be permissible to establish special funds if the law, international agreements, or legal contracts requires so. All cash resources of the special funds shall be kept in the General Treasury Account pursuant to the provisions of this law.

Article (18)

The Bureau of Financial and Administrative Control shall control the revenues and expenditures of the ministries, public institutions, local bodies, corporations, and special funds, as well as the respective methods of collection and expenditure. It shall submit a comprehensive annual report to the President and the Legislative Council comprising all comments, opinions and violations committed, as well as the responsibility therefor.

Part III. Preparation, Submission and Approval of the General Budget

Article (19)

The General Budget shall be the basic financial tool of the National Authority and its work programme for the expenditure and revenues of the various projected activities for a specific fiscal year, in order to implement financial, economic and social objectives and policies. The General Budget shall comprise international agreements, legal contracts, the unified fund, and all special funds, unless an exception by law is available.

Article (20)

The Budget Department shall assume the following responsibilities and functions:

1. Preparing the annual General Budget for the ministries and public institutions, as well as preparing the budgets of institutions of the National Authority and following up on the same during all stages of the budget process.

2. Preparing the staff roster for ministries and public institutions and the coordination thereof.
3. Conducting research required for the preparation and implementation of the General Budget.
4. Assessing the manpower requirements of ministries, public institutions and corporations in relation to hierarchies, professions, services and specialisations.
5. Studying and evaluating all requests, programmes, works and projects for which appropriations are requested following an assessment of their economic feasibility and consistency with the approved financial policies.
6. Securing non-duplication in specialisation, programmes and financing. The Budget Department may request all necessary information to enable it to perform its function.
7. Reviewing all financial documents and contracts, as well as the accounts of ministries and public institutions.
8. Drafting a circular for the preparation of the General Budget, with a detailed and clear explanation of all required proceedings, as well as determining the approved basis and standards for the appropriation of allocations and the timetable for the preparation of the General Budget until its approval.
9. Participating in the evaluation of the financial, economic and monetary positions of the National Authority. The Minister shall submit a report thereof to the Council of Ministers in order to determine the dimensions of the General Budget for the next fiscal year.
10. Participating, with other competent bodies, in the preparation of development plans.
11. Preparing, developing and updating financial legislation and bylaws in cooperation with other competent bodies.
12. Formulating the standards for measuring performance in implementing all projects and programmes to which appropriations are allocated by the law.
13. Preparing the draft of the General Budget supplement for additional allocations that exceed the appropriated allocations in the approved General Budget Law.
14. Developing for ministries and public institutions the forms for the preparation of the General Budget, including formulations, classifications, sorting and descriptions relating to the General Budget, in accordance with the unified accounting system approved by the Ministry for sorting and classifying accounting statements, closing accounts, and financial and cash positions of ministries and public institutions.

Article (21)

The *Draft General Budget Law* shall include the following:

1. Tables comprising the total revenues and expenditures for the next fiscal year in accordance with the sorting adopted for organising the General Budget.
2. Tables showing a summary of the General Budget for the next fiscal year in accordance with the classification of revenues and expenditures.
3. Tables showing the re-estimated revenues and expenditures for the prior two (2) years in accordance with the title and parts and the approved sorting.
4. Tables comprising the estimated expenditure for the next fiscal year in accordance with the titles and parts and the approved sorting.
5. A table showing in brief the financial and cash position of the General Treasury Account.
6. A table showing the credits, debits, local and foreign short and long-term loans of the National Authority, as well as the proposed plans for their settlement.
7. A table showing the contributions and investments of the National Authority in local and non-local institutions and corporations.
8. A brief description of the programmes, plans and objectives of the National Authority for the next fiscal year within

the statement of the General Budget submitted by the Minister.

9. Any other clarifications which the Council of Ministers may deem necessary.

Article (22)

Ministries, public institutions and corporations shall fully comply with the instructions set out by the Budget Department for the preparation of the *Draft General Budget Law* and draft staff rosters and instructions to enable the Budget Department to perform its function.

Article (23)

Ministries and public institutions shall be responsible for the correctness of the figures, data, information and tables which they submit to the Budget Department.

Article (24)

Ministries and public institutions shall provide the Budget Department with all figures, data, information, tables and clarifications which it may request.

Article (25)

The Ministry shall submit, in cooperation with the competent bodies, on the 1st of July of the current fiscal year a comprehensive report to the Council of Ministers on the general financial position of the National Authority, together with projections of the sources and liabilities during the remaining period of the fiscal year, as well as policy recommendations relating to respective economic developments. The Council of Ministers shall use this report as a guide in setting up the indicators and policies for the preparation of the General Budget for the next fiscal year.

Article (26)

The Budget Department shall begin with the preparation of the General Budget circular on the basis of the indicators and policies set forth by the Council of Ministers. The circular must be issued on the 1st of July of the current fiscal year. The circular shall review the overall financial and economic projections for the next fiscal year, the economic and financial indicators and policies set by the National Authority, and the limits of the revenues on

the basis of which the General Budget shall be assessed. The circular shall include expenditure ceilings in accordance to which the ministries and public institutions shall estimate their budgets, as well as guidelines, instructions, forms and time-tables for the preparation of the estimates of the General Budget for the next fiscal year.

Article (27)

The Budget Department shall formulate, classify, sort and describe the structure and accounts of the General Budget to lay a sound basis for the financial management and the financial information system. The accounts of the unified fund and the special funds shall be classified to the National Authority in a manner consistent with the structure of the General Budget and the account classification.

Article (28)

The forms and information in the General Budget circular shall include the following:

1. A statement showing the estimated expenditure for every main item of the General Budget as follows:
 - a) Actual expenditures for the previous fiscal year.
 - b) Actual expenditures for the first six (6) months and the envisaged expenditures for the remaining six (6) months of the current fiscal year.
 - c) Expenditure estimates for the next fiscal year. Actual expenditures for each item shall be compared with the credits corresponding thereto in the General Budget.
2. A supplemental statement of wages and salaries for each ministry and public institution; a statement with job titles, names and salaries of employees shall be attached upon request.
3. A separate statement showing additional manpower requirements which result in additional financial obligations, together with a justification for such increases.
4. A statement of the financial requirements for the purchase of commodities and services in accordance with the

instructions and standards issued by the Ministry.

5. A statement of long-term capital financing requirements. Proposals of new capital projects shall be accompanied by a full report and the necessary documents. Requirements for the financing of capital projects under execution shall be in accordance with the capital expenditure table specified by the Budget Department. This table shall be updated with former work, expenditures and price increases.
6. A statement showing the estimated revenue for each main item of the General Budget as follows:
 - a) Actual revenues for the previous fiscal year.
 - b) Actual revenues for the first six (6) months and envisaged revenue for the remaining six (6) months of the current fiscal year.
 - c) Revenue estimates for the next fiscal year on the basis of currently applied tariffs and standards.
 - d) Revenue estimates for new proposals and for the amendment of tariffs. Actual revenues for each item shall be compared with the estimates corresponding thereto in each case.

Article (29)

The Treasury Department shall prepare statements of the temporary cash flow relating to governmental transfers, debt services of the financial assets, and the collection of interest.

Article (30)

The Budget Department shall study the revenues, expenditures and lending estimates in coordination with the competent ministries and public institutions, as well as formulate the final draft of the General Budget, in accordance with the indicators and policies set forth by the Council of Ministers. The budget shall be submitted as a law to the Council of Ministers in the first half of October of the current fiscal year for approval.

Article (31)

1. The Council of Ministers shall submit the Draft General Budget Law for the next fiscal year to the Legislative Council for review and approval on the 1st of November of each year.
2. The Minister shall submit an accompanying report to the Legislative Council comprising the adopted financial policy and the basic elements of the Draft General Budget Law.
3. The Chairman of the Budget and Financial Affairs Committee shall submit a report to the Legislative Council with the comments of the Committee on the Draft General Budget Law, as well as on the report of the Minister, in anticipation of completing the proceedings for approving the Draft General Budget Law.
4. The discussion, approval and promulgation of the General Budget Law shall be finalised prior to the beginning of the new fiscal year.

Article (32)

The *Draft General Budget Law* shall comprise a classified statement of the estimated revenues and proposed expenditures for each ministry and public institution. The statement shall set out the actual revenues and expenditures for the prior fiscal year and the adjusted estimates for the current fiscal year. The law shall also contain proposals pertaining to the collection of additional revenues through new taxation and non-taxation measures, as well as new deficit borrowing provided for in the budget. The envisaged rate of deficit shall be set as a maximum.

Article (33)

Proposals in the *Draft General Budget Law* which pertain to capital projects under implementation must include an evaluation of the actual progress in the light of the planned objectives and a statement of the financial requirements for the next fiscal years. The *Draft General Budget Law* shall contain, in the case of new capital projects, justifications and details of the implementation in order to enable the Legislative Council to make the appropriate decisions pertaining thereto.

Article (34)

Estimated revenue collections shown in the *Draft General Budget Law* for the next fiscal year shall be made on the basis of the actual collection of revenues pursuant to the revenue laws applied during the current fiscal year.

Article (35)

Approved appropriations in the *General Budget Law* shall be set as maximum amounts, and actual expenditures shall not exceed such appropriations.

Article (36)

If there is a need for any amendment of any items in the General Budget or the addition of items which would require new appropriations, each such amendment shall be prepared as a supplement to the budget and submitted by the Council of Ministers to the Legislative Council for approval and promulgation as law.

Article (37)

A suitable reserve to meet unexpected financial requirements during the fiscal year shall be included in the *General Budget Law* under the disposal of the Council of Ministers. The Minister shall study financial requests by ministries and public institutions relating to the reserve and submit such requests with his recommendations to the Council of Ministers for decision.

Article (38)

The *General Budget Law* shall be published for general information for the public upon its approval by the Legislative Council.

Article (39)

The budgets of local bodies shall follow the classification structure of the budget accounts of the Ministry regarding classification, formation and sorting.

Article (40)

Regarding the budgets of local bodies, the authority of officials of the Treasury Department pertaining to the implementation of the General Budget shall be exercised by the respective financial officials of the local bodies.

Part IV. Implementation of the General Budget

Article (41)

The Ministry shall have the following responsibilities and functions in implementing the General Budget:

1. Issuing decisions determining proceedings, documentation and accounts, as well as preparing the reports of all payment and receipt transactions resulting from the implementation of the General Budget, including special funds.
2. Issuing regulations and establishing procedures for the implementation of the General Budget, the budgets of the local bodies, special funds, and the budgets of public institutions and corporations; determining the account coding for financial transactions (financial items) pertaining thereto in accordance with the sorting and classification of the General Budget.
3. Managing cash and organising the banking arrangements for the National Authority.
4. Managing, organising, supervising, and controlling the various financial resources.
5. Compiling the periodic and annual accounts for the financial transactions of the National Authority, local bodies, special funds and public institutions, as well as issuing periodic reports pertaining thereto.
6. Allocate funds to the ministries and public institutions on a quarterly basis with monthly cash ceilings. The allocated funds and cash ceilings shall be determined on the basis of the availability of non-disbursed cash sources from the previous allocations of the ministries and public institutions and in light of the relative priorities between demands and projected expenditure obligations.
7. Managing all guarantees and obligations resulting from borrowing on behalf of the National Authority and managing the financial assets of the National Authority, including loans and debt settlements.

8. Supervise the implementation of the classification structure of the budget accounts in:
 - a) Ministries, public institutions, and special funds.
 - b) Monthly, quarterly and annual reports of the Treasury which cover the General Budget and the accounts of special funds.
 - c) Accounts of the financial assets and debts of the National Authority.
 - d) Registering the guarantees and other obligations of the National Authority connected therewith.

Article (42)

The allocated appropriations in the *General Budget Law* shall be disbursed in accordance with general or special financial orders and pursuant to financial transfers issued by the Minister.

Article (43)

The competent minister shall have the right to disburse funds from the appropriations of his ministry allocated thereto by the *General Budget Law* as set forth in Article 42 above. He may delegate these powers in writing to any senior employee of his ministry upon written notice to the Minister of Finance.

Article (44)

It shall be prohibited to make any disbursement on expenditure for which no allocations were appropriated in the *General Budget Law*; it shall be prohibited to utilise the allocations for purposes other than those approved.

Article (45)

Ministries and public institutions shall distribute funds to the expenditure units on the basis of the allocations made thereto. The expenditure obligations shall be determined within the permitted cash ceilings with respect to the agreements that establish the agreed provision of commodities and services which require long term obligations.

Article (46)

Each ministry and public institution shall provide the Ministry and the Budget Department with a detailed statement of the actual monthly expenditure from its approved appropriations, in accordance with the forms prepared by the Ministry, as well as the financial position of the revenues, grants and actual collections within a period no later than the end of the first week of the following month.

Article (47)

1. The Minister shall be responsible for controlling the accounts of the ministries and public institutions and their respective financial transactions. He shall guarantee that the ministries and public institutions abide by the provisions of the law in their financial activities and accounting. The competent minister or the official in charge of the public institution shall be responsible for the enforcement of the provisions of this law in relation to his ministry or institution.
2. The financial employee shall be responsible for performing the financial activities pertaining to his department including expenditures, liabilities, levying, retaining and recording of public funds in accordance with general accounting principles.
3. All internal auditors in ministries and public institutions shall be technically attached to the Ministry.

Article (48)

The Ministry shall, upon the entry into force of the *General Budget Law*, inform each ministry and public institution of their approved appropriations. Each ministry and public institution shall inform the attached expenditure units of the appropriations made thereto pursuant to the *General Budget Law*. The expenditure units shall be responsible for implementing the budget in accordance with the approved appropriations.

Article (49)

The Minister may appoint financial auditors in ministries and public institutions in order to provide advice and to supervise the

implementation of the General Budget and the compliance with the financial standards and rules. In the event of a disagreement between the auditor and the financial manager of the ministry or public institution, the matter shall be brought before the Minister for decision.

Article (50)

Ministries and public institutions shall have no right to re-allocate budget appropriations from one expenditure item to another in their budgets, except pursuant to legislation that regulates the re-allocation between sub-items and with the approval of the authorising authority.

Article (51)

Bylaws shall determine the form, content and periods of reports regarding the implementation of the General Budget which are to be submitted by ministries, public institutions and special funds. The Treasury Department shall, on the basis of such reports, prepare a monthly summary report on the progress of the budget implementation.

Article (52)

The Ministry shall prepare a report at the end of every quarter which details and analyses the position of the General Budget. The report shall include financial developments, trends of revenues and expenditures compared with projections, interpretation of significant deviations, analysis of the cash flow, and the impact of deviations on the general financial position of the National Authority. The report shall review the proposed measures for maintaining or regaining the financial balance. The Minister shall submit each such report to each member of the Council of Ministers and to the Legislative Council.

Article (53)

Non-utilised appropriations and cash balances in the accounts of ministries and public institutions on the 31st of December of each fiscal year shall be cancelled. Any unpaid liability shall be listed within the budget of the following year and shall have priority.

Article (54)

After the 31st of December of each fiscal year, realised revenues shall be counted as collections for the next fiscal year.

Part V. Management of Debts and Assets

Article (55)

The annual General Budget shall determine the maximum limits of the National Authority for new borrowing and overdrafts from local banks. It shall formulate specific provisions for the payment of interest and repayment of principal debts which are to be made during the fiscal year against the gross debt.

Article (56)

The Ministry shall be the sole body authorised to sign loan agreements for ministries and public institutions pursuant to the law and the bylaws in force. No other party may perform such action. The Ministry shall manage and follow up on the governmental debt.

Article (57)

Ministries and public institutions may not borrow or utilise loans for purposes other than those for which the borrowing was allocated, except with the prior approval of the Council of Ministers and upon the recommendation of the Minister.

Article (58)

Decisions of the Ministry concerning the conditions of borrowings or guarantees of transactions shall be published in the *Official Gazette*. The contractual conditions of the debt may not be amended unilaterally.

Article (59)

Ministries and public institutions shall allocate sufficient appropriations in their budget proposals to meet the governmental debt burden. This shall include instalments and interest payable on borrowed amounts and part of the governmental debt, as well as the differences resulting from the change of exchange rates, the re-evaluation of governmental debt, and re-scheduling of the debt settlement.

Article (60)

The Ministry shall study the financial position of any party wishing to borrow under the guarantee of the National Authority to ensure its capability of meeting the obligations.

Article (61)

The Minister shall be the authorised signatory on behalf of the National Authority on all borrowing agreements.

Article (62)

Any party obtaining a loan under the guarantee of the National Authority shall submit periodic quarterly reports to the Ministry on its financial position and closing accounts.

Part VI. Budget Accounting and Auditing

Article (63)

The Ministry shall formulate a system for internal financial auditing to ensure the economical use of resources and the commitment of each ministry and public institution and their administrative units to expenditures in accordance with the financial legislation. The Ministry shall have the authority to inspect the accounting records, revenues and expenditures of each ministry, public institution and special fund at any time.

Article (64)

The Ministry shall issue a bylaw for the closing accounts of the ministries, public institutions and special funds. The ministries, public institutions and special funds shall, pursuant to such bylaw, prepare final statements of the revenues and expenditures within their jurisdiction and submit them to the Ministry.

Article (65)

The Ministry shall prepare preliminary unified accounts for general transactions and submit them to the Council of Ministers within six (6) months from the closing of the fiscal year. The accounts shall show, inter alia, the opening and closing balances for the unified fund and each special fund, as well as in detail the

financial activities performed to meet the financial deficit, if any, and the net general local and foreign debt. The accounts shall include all loans granted during the year and the obligations resulting therefrom.

Article (66)

The Ministry shall, on the basis of the preliminary accounts set forth in Article 65, prepare the draft closing account, submit it to the Council of Ministers for approval, and refer it to the Legislative Council within one (1) month from the end of the fiscal year. It shall submit a copy of the draft to the Bureau of Financial and Administrative Control.

Part VII. Concluding Provisions

Article (67)

The Ministry shall draft such bylaws as may be necessary for the enforcement of this law. Such bylaws shall be promulgated through a decree of the Council of Ministers and be published in the *Official Gazette*.

Article (68)

Until the establishment of the Bureau of Financial and Administrative Control, its functions shall be performed by the General Control Authority.

Article (69)

The *Law of the Organisation of the General Budget No. 39 of 1962* in force in the Governorates of the West Bank and every provision that contradicts the provisions of this law are hereby repealed.

Article (70)

All competent authorities – each one within its sphere of jurisdiction – shall implement the provisions of this law, which shall enter into force thirty (30) days after the date of its publication in the *Official Gazette*.

Issued in the city of Gaza on 3 August, 1998 AD, corresponding to 10 Rabi II 1419 AH.

Yasser Arafat

Chairman of the Executive Committee of the Palestine Liberation Organisation

President of the Palestinian National Authority

Law No. 9 of 1998 on General Supplies

The Chairman of the Executive Committee of the Palestine Liberation Organisation, President of the Palestinian National Authority,

Having examined the Law on the General Conditions of Tenders and Procurement of Commodities of 1953 applicable in Gaza Governorates;

Having examined the Law of Supplies No. 32 of 1966 in force in the West Bank Governorates;

Having reviewed the Draft Law submitted by the Council of Ministers; and

Based upon approval of the Legislative Council,

We have hereby promulgated the following Law:

Chapter I: Definitions and General Provisions

Article (1) Definitions

The following terms and expressions, wherever they are mentioned in this Law, shall have the meanings ascribed thereto hereunder, unless the context requires otherwise:

The National Authority: The Palestinian National Authority.

The Department: Any ministry, department, authority, or public institution.

The Minister: The Minister of Finance.

The Competent Minister:

The Minister with regards to his or her Ministry and the Departments and institutions affiliated therewith. For the purposes of this Law, the phrase "the Competent Minister" shall include:

1. The Prime Minister with regards to the Presidency of the Council of Ministers.
2. President of the Palestinian Legislative Council with regards to the Palestinian Legislative Council.
3. Head of any department exercising, in accordance with special laws and regulations, the competences of the Minister in relation to that department.

The Director General:

The Director General of the Department of General Supplies, or the person appointed to assume his or her tasks in case of his or her absence.

The Deputy Minister:

The Deputy Minister or the Director General of the Department, or the person appointed to assume his or her tasks in case of his or her absence.

Supplies:	The movable property necessary for any department, the maintenance and insurance thereof, and the services needed by the Department.
Special Supplies:	Supplies the use of which is generally restricted to a particular department or some departments, whereby such supplies constitute an essential requirement to achieve the objectives of the department and enable it to perform its activities.
Technical Services:	The studies, specifications, and laboratory tests for the supplies, and their conformity to the specifications and conditions.

Chapter II: The Department of Supplies – Enforcement of the Law and the Technical Responsibilities

Article (2) Scope of Law Enforcement

The provisions of this Law shall apply to all of the departments, whose budget is included in the Annual Public Budget Law of the National Authority, and any other department to which the Council of Ministers decides to enforce the provisions of this Law.

Article (3) Responsibilities and Competences of the Department of General Supplies

A Department known as the Department of General Supplies shall be established in the Ministry of Finance and shall exercise the following competences and responsibilities:

1. Establish the general policy for the management of supplies and set the means of implementing it.
2. Purchase the supplies needed by the Departments in accordance with the provisions of this Law.
3. Maintain the common and excess supplies of any Department and store them in the Central Warehouses to distribute them

to the other Departments as required, or to exchange the supplies among these Departments.

4. Conduct the studies necessary for the development of the management of the supplies, including the following:
 - a. Maintain standard specifications for supplies of common or frequent use.
 - b. Cooperate with the Departments and competent entities in the holding of training sessions and seminars in order to develop the skills of the employees in the Units of the supplies therein.
 - c. Provide consultancy and advice to the Departments with respect to the management of supplies.
 - d. Conduct inventory of the supplies in the Departments whenever the Department of General Supplies deems it necessary.
5. Participate in the implementation of the agreements and protocols concluded between the National Authority and any international entity in relation to the procurement of specific supplies to the National Authority.
6. Maintain registers for the durable supplies.
7. Cooperate with the Departments to identify the means and procedures related to the proper storage and maintenance of the supplies.

Article (4) Development of Regulations

The Minister shall set forth the necessary regulations on the preparation of the statement of supplies that must be purchased for the Departments, and the organisation of their respective purchase orders and the submission of such requests to the Department of General Supplies in order to complete the Purchase Processes in accordance with the provisions of this Law.

Chapter III: Procurement

Article (5) Rules of Supplies Purchase

No purchase process shall be initiated except in accordance with the following:

1. Supplies, the amount of which exceeds 3,000 (three thousand) US Dollars or the equivalent thereof in local currency, shall be conducted by virtue of a purchase order, attached with a request of financial commitment signed by the Deputy Minister, or the person delegated by him or her with a written authorisation, to be submitted to the entity concerned with the procurement.
2. In the event the estimated amount of the supplies to be purchased exceeds 10,000 (ten thousand) US Dollars or the equivalent thereof in local currency, the request shall be supported by a purchase permit and commitment voucher issued and approved by the Department of Budget.

Article (6) Purchase Orders

1. Supplies that shall be purchased must be sufficiently described, and their general specifications accurately and clearly defined, including the methods of packaging, wrapping, binding and handling, in addition to the item unit and quantities.
2. The purchase order shall be submitted, supported by the specifications detailed in Paragraph (a) above, at a sufficient time prior to the completion of the purchase process. Any purchase order, described as urgent, shall not be considered unless such case of urgency results from a contingency which has not been anticipated or which cannot be easily anticipated or predicted.

Article (7) Principles of Purchase Processes

The processes of purchase shall be performed in accordance with the following principles:

1. Application of the principle of competition in all the processes of purchase.
2. Procurement of the best-quality supplies at the best prices and conditions shall be observed.
3. Indivisibility of the supplies into multiple transactions in all the purchase processes of similar supplies.

Article (8) Cases in which Purchase is not Permitted

Any Department of Supplies may not purchase or take any measure whatsoever for this purpose in any of the following cases:

1. In the event the supplies are available at the Department of Supplies.
2. In the event the Department of General Supplies expresses its wish to purchase the same supplies by way of tendering.
3. In the event the Department of Supplies concludes a contract for the procurement of such supplies.
4. In the event the Department of General Supplies has requested the Departments to provide it with its annual or quarterly supply needs.

Article (9) Priority to Palestinian Products

In case the specifications, quality level, standards, and other conditions are satisfied in the supplies offered and the purchase of which is required, in accordance with the Request for Proposals, the entity responsible for purchasing such supplies must give priority to the supplies produced in Palestine and from the bidder permanently resident therein.

Article (10) Purchase of Supplies pursuant to Agreements

Without prejudice to the provisions of this Law, the entity responsible of the purchase may purchase supplies in accordance with the provisions of the Commercial Protocols and Agreements concluded between the National Authority and the Arab and foreign governments and entities.

Article (11) Purchase from outside of Palestine

1. Supplies may be purchased from outside of Palestine in the event the supplies the purchase of which is required are not available in the territories of Palestine.
2. Based upon the recommendation of the Competent Minister, the Council of Ministers may depute a committee, composed of at least three employees from among the employees of the entity responsible for purchasing supplies, to

outside of Palestine in order to purchase supplies in the case provided for in Paragraph (1) above, if necessary.

Article (12) Methods of Purchase

In accordance with the provisions of this Law, the purchase process supplies shall be conducted by way of tendering, provided that supplies may be purchased through either of the following two methods:

1. Request for proposals in any of the following cases:
 - a. In the event the amount of the supplies the purchase of which is required does not exceed 5,000 (five thousand) US Dollars or the equivalent thereof in local currency in accordance with Article (7) above.
 - b. If the number of submitted proposals is not sufficient or adequate and the tendering entity is convinced that the need necessitates the purchase of supplies by means of requests for proposals.
2. Direct purchase of supplies through negotiation with vendors, manufacturers or suppliers in any of the following cases:
 - a. In the event the supplies are required to counter a public contingency which does not allow the conduct of a tender procedure or request for proposals upon the request of the Competent Minister and the approval of the Council of Ministers.
 - b. In the event the supplies the purchase of which is required are spare parts or accessories which are not available at more than one source based upon a technical report submitted by specialists and experts.
 - c. Purchase of scientific materials, such as films, manuscripts and the like.
 - d. In the event the tender or request for proposals process was conducted but either method failed to receive appropriate proposals, reasonable prices, or the total quantity of the required supplies.

Article (13) Purchase Powers

Purchase of supplies shall be conducted through the following entities in accordance with the competences bestowed upon them:

1. The Competent Minister shall:
 - a. Purchase supplies, the amount of which does not exceed 1,000 (one thousand) US Dollars, or the equivalent thereof in local currency, in each purchase process.
 - b. Purchase supplies, the amount of which does not exceed 15,000 (fifteen thousand) US Dollars, or the equivalent thereof in local currency, in each purchase process through a Purchase Committee composed of three employees from the Department appointed by the Competent Minister, provided that the Committee is reconstituted every six months at most. The Committee shall take its decisions by majority voting.
 - c. Purchase specialised scientific and cultural services, including respective consultancies, the conduct and evaluation of researches and studies, whether by institutions or individuals through a specialized committee composed of at least three employees from the Department appointed by the Minister. The Committee shall take its decisions by majority voting.
 - d. Purchase, sell, lend, and rent copyrights, literary and artistic works, broadcasting, and television programmes and enter into agreements for the production of such programmes, whatsoever their cost may be, provided that such measures are conducted through a Committee constituted by the Minister for this purpose and composed of at least three employees from among the employees in the Department. The Committee shall take its decision by majority voting.
2. The Deputy Minister shall:
 - a. Purchase supplies, the amount of which does not exceed 500 (five hundred) US Dollars, or the equivalent thereof in local currency, in each purchase process.

- b. Purchase supplies, the amount of which does not exceed 5,000 (five thousand) US Dollars in each purchase process through the Purchase Committee provided for in Clause 2, Paragraph (a) above.
 - c. Purchase replacement and operational spare parts through the Purchase Committee provided for in Clause 2, Paragraph (a) above.
3. Purchases of the Diplomatic Missions:
 - a. Purchase supplies, the amount of which does not exceed 5,000 (five thousand) US Dollars, or the equivalent thereof in local currency, following a decision made by the Head of the Diplomatic Mission, through a Purchase Committee constituted by the Head of the Mission for this purpose and composed of three employees from among the employees of the Mission.
 - b. Purchase supplies, the amount of which does not exceed 15,000 (fifteen thousand) US Dollars, or the equivalent thereof in local currency, following a decision made by the Competent Minister, through a Purchase Committee established by the Competent Minister for this purpose and composed of three members, including the Head of the Mission.
 - c. Subject to the provisions of this Law, any supplies, the amount of which exceeds 15,000 (fifteen thousand) US Dollars, or the equivalent thereof in local currency, may not be purchased except through a Tender Committee established in accordance with the provisions of this Law.
- b. A representative of the Ministry of Finance as Member;
 - c. A representative of the Ministry of Economy and Commerce as Member;
 - d. A representative of the Ministry of Industry as Member; and
 - e. A representative of the Ministry of Public Works as Member.
2. The term of membership in this Committee shall be two years. The Competent Minister may reduce or extend the term of membership by another year.
 3. The Chief of the Administrative and Financial Control Board shall appoint a representative in the Central Tenders Committee as observer.
 4. Upon the conduct of a tender process for the procurement of special supplies to one of the Departments, two members from among the senior employees in the Department designated by the Competent Minister shall participate in the Central Tenders Committee which shall examine the tenders.

Article (15) Meetings and Decisions of the Central Tenders Committee

1. The Central Tenders Committee shall convene wherein a full quorum is present, whether for the purchasing of general-use supplies or special supplies for one of the Departments, and shall take its decisions by majority voting.
2. The decisions taken by the Committee in relation to the purchasing of general-use supplies shall be approved by the Minister. However, decisions pertaining to the purchasing of special supplies shall be approved by the Competent Minister.
3. Following a decision made by the Competent Minister, specialised technical sub-committees from the Department shall be established and shall include a member of the Department of General Supplies, to be appointed by the Head of the Central Tender Committee, to help the Committee with the functions and tasks entrusted thereto in accordance with the provisions of this Law.

Article (14) The Central Tenders Committee

1. Following a decision made by the Council of Ministers upon the recommendation of the Competent Minister and Ministers, a Central Tenders Committee shall be constituted in order to perform the tasks and competences provided for in this Law, as follows:
 - a. The Director General as Head [of the Committee];

Article (16) Special Tender Committee

1. Based upon the recommendation of the Minister and the Competent Minister, the Council of Ministers may establish a Special Tender Committee composed of the Deputy Minister, the Director General and three of the senior employees in the Authority, in order to purchase supplies for a particular project with regard to its size or because an Arab or foreign government or entity contributes to its funding. The Council of Ministers shall appoint a Head of the Committee from among its members.
2. The Special Tender Committee shall convene wherein a full quorum is present and shall take its decision by majority voting. The purchase decisions issued by the Committee shall be approved by the Competent Minister and the Minister. In case of disagreement, the case shall be submitted to the Council of Ministers for adjudication.
3. The Special Tender Committee shall abide by the rules, conditions and procedures related to the tendering process established in accordance with this Law and the Regulations and Instructions issued thereby, subject to any special conditions stipulated in the project funding agreements.

Article (17) Endorsement of Tender Award Decisions

The entity authorised to endorse the tender award decisions must make the relevant decision within 15 days from the date of receipt of the decision; otherwise, the decision shall be considered as endorsed by default.

Article (18) Consultation with Experts and Technicians

1. The Central Tenders Committee or the Special Tender Committee may seek assistance from experts and technicians from among the personnel of the Authority, as well as others, to benefit from their experiences in the study of the proposals submitted to the Committees. In this regard, all the Departments must fully cooperate with these Committees.

2. Upon the recommendation of the Director General, the Minister may grant the experts and technicians financial rewards commensurate with the tasks which they perform and which are assigned thereto by the Central Tenders Committee under ad-hoc regulations.

Article (19) Regulation of the Tender Procedures

The procedures of tenders, the conditions of participation therein, the study of proposals, the awarding and the bonds which must be submitted by bidders and contractors and their due liabilities and obligations in case of noncompliance with their proposals or in the failure to execute the award contracts concluded with them, shall be regulated pursuant to regulations issued by the Council of Ministers and which shall be enclosed with each invitation for tenders.

Article (20) Invitation for Tenders

The Director General shall invite for tenders, where appropriate, and shall specify a price for the tendering documents, in line with the expenses related to the preparation and printing of the invitation for tenders and the documents attached thereto and the cost of the tender. However, invitation for tenders may be delivered free of charge to the entity where the Director General deems it in the interest of the Treasury.

Article (21) Signing of Supply Procurement Agreements

On behalf of any Department, the Director General shall be responsible for the signing of the supply procurement agreements with contractors for the purpose of executing the decisions issued thereupon by the Central Tender Committee.

Article (22) Testing Supplies prior to Shipment

The Central Tenders Committee may assign a specialised committee, entity, or company to test the supplies before they are shipped in order to determine the extent of their conformity.

Chapter IV: Management of Supplies

Article (23) Supervision of Supplies

The Deputy Minister shall be responsible for the supervision and control of the supplies pertaining to his or her Department, and for taking the necessary measures and arrangements for the preservation, organisation, utilisation, and use of the supplies for their intended purposes.

Article (24) Supplies Management and Preservation Unit

An administrative unit shall be established in each Department to assume the organisation, preservation, safe utilisation, and use of the supplies for their intended purposes in accordance with the provisions of this Law.

Article (25) The Central Warehouse Unit and its Tasks

A Central Warehouse Unit shall be established within the Department of General Supplies and shall assume the following tasks:

1. Store the joint supplies necessary for the Departments.
2. Store the durable Departments supplies in excess of the needs of the Departments.
3. Store the materials necessary for cases of crises and contingencies.
4. Specify the levels of the supplies in stock based on the annual use and actual needs.

Article (26) Use of Approved Registers and Forms

The warehouses at the Departments shall use the registers and forms which conform to their nature and which are approved by the Department of General Supplies, and shall comply with the Regulations and Instructions issued pursuant to the provisions of this Law.

Article (27) Register for Durable Supplies

Each Department shall designate a register for durable supplies similar to the register of the Central Department of Supplies, and conduct periodic reconciliations.

Article (28) Execution of Supplies Purchase Contracts

1. All the contracted supplies, whether from or outside of Palestine, shall be shipped and procured under the name of the beneficiary Department.
2. The beneficiary Department must follow up on the execution of the supplies purchase contracts, and the clearance procedures for the supplies purchased from outside of Palestine.

Article (29) Supplies Receiving Committee

1. One or more Receipt Committee(s), composed of three employees from among the employees in each Department to be appointed by the Deputy Minister, shall be established in each Department and entrusted with the receipt of the supplies, the amount of which exceeds 500 (five hundred) US dollars or the equivalent thereof in local currency, procured to the Department by the suppliers and contractors. The Committee may seek the assistance of experts and technicians from any Department when necessary.
2. The warehouse keeper shall receive the supplies as a preliminary trust upon the arrival thereto into the procurement site.

Article (30) Procedures of the Receiving Committee

1. The Receiving Committee shall perform the following procedures:
 - a. Conduct test and verification of the specifications of the procured supplies and their conformity with the terms and conditions established in the procurement contracts with respect to the type, quantity, place, and date of the procurement subject to the relevant concluded agreements.
 - b. Receive the procured supplies within 10 days from their procurement date subject to Paragraph (a), Clause (1) above.
 - c. Draw up a receipt report for the procured supplies, indicating the

- approval or rejection of the supplies for violation of the specifications and conditions, or the rate of deviation. A copy of the report shall be handed over to the supplier and concerned warehouse keeper; the copy handed over to the supplier shall be considered a notice of approval or rejection to the supplier.
2. In the event a dispute arises between the members of the Receiving Committee, the case shall be submitted for adjudication to the Deputy Minister whose decision shall be final and definitive.
 3. In the event the Supplies Receiving Committee decides to refuse the receipt of the procured supplies for violation of the defined specifications and conditions, the contractor who has procured such supplies may lodge an objection against the decision of the Committee, within a maximum period of 10 days starting from the date of the receipt of the receipt report by the contractor, before the entity that issued the purchase decision. The decision of Committee shall be final and definitive, and the rejected supplies rejected shall be considered as a trust.
 4. The supplier shall remove the supplies rejected at their expenses within 15 days from the date of being notified of the necessity of removing of such supplies from the place where they exist, unless health or security requirements necessitate the removal or destruction of the supplies prior to the prescribed deadline. In the event the supplier fails to meet the deadline, they shall be considered as having ceded the supplies to the National Authority and the latter may charge the supplier with the expenses of the removal and destruction.
 5. Aids and grants of supplies shall be received through their reconciliation with the bills of lading, invoices or any other document detailing the specifications and quantities of the supplies and any deviation in the type and quantity from the specifications and conditions in the agreement, invoices, and bills of lading. Such supplies shall be duly entered on the registers.

Article (31) Entry Vouchers

1. The supplies shall be immediately entered on the warehouse registers after the receipt thereof by the Receiving Committee, provided that they are supported by the following documents:
 - a. Entry voucher.
 - b. Receiving Committee report or local purchase order.
 - c. The invoice or bill of lading.
2. The entry vouchers, issued by the warehouse to which the supplies have been transported, shall be supported by the discharge vouchers of the supplies which have been transported from another warehouse; a copy of the entry voucher shall be sent to the warehouse from which the supplies have been removed.

Article (32) Excess Supplies

Supplies in excess of the book values, or the parts or pieces which have been removed from supplies that have been written-off shall be duly registered as custody in the registers of the supplies.

Article (33) Custody Register

The Department of General Supplies shall identify the types of custody registers, data, and entries which the Department must disclose, in addition to the forms which must be used and the information which the forms must include in conformity with the procedures followed in the management of supplies and warehouses.

Article (34) Maintaining Registers According to the Regulation on Management of Supplies Warehouses

Each Department shall maintain the registers and cards of their respective warehouses of supplies in accordance with the regulations and procedures followed in the management of the warehouses of supplies.

Article (35) Consideration of the Nature of Supplies when Stored

The supplies shall be stored in their designated warehouses to ensure their safety and

readiness for delivery upon request, provided that the nature of each type of the supplies is considered when being stored in the warehouses subject to their usage validity period.

Article (36) Disposition of Supplies

1. Supplies shall be disposed of by virtue of a Disposal Voucher signed by the Deputy Minister or his authorized representative for this purpose.
2. Supplies shall be delivered from the warehouse to the requesting entity by virtue of an approved discharge voucher signed by the recipient of the supplies and which indicates his or her post.
3. Supplies may be issued from the Central Warehouses to the financially independent Departments against the collection of the price.

Article (37) Valid and Excess Supplies

1. In the event the Deputy Minister decides that any valid supplies in the Department have become excess and not required for the activities of the Department, such supplies shall be transported from the warehouses of the Department to the Central Warehouses.
2. The Department of General Supplies shall conduct the procedures of selling the valid and excess supplies available at the Central Warehouses through a periodic public bidding after the exhaustion of all possible methods to utilise them at any of the Departments of the National Authority, through a committee comprised by the Director General and composed of three members.
3. Products of vocational schools and training and research centres and the products of any production Department shall be sold in accordance with the Instructions issued by the Competent Minister.
4. Upon the recommendation the Director General, the Minister may sell the valid and excess supplies available at the Central Warehouses to non-profit national institutions at the price decided by a committee set up for this purpose.

5. The sold supplies shall be handed over to the purchaser following the payment of their price by virtue of a duly organised discharge voucher, indicating the number, date, and value of price collection.

Article (38) Invalid Supplies

1. In the event the Deputy Minister decides, upon the recommendation of a technical committee, that any supplies in the Department have become invalid, such supplies shall be sold, through a committee composed of three members from among the employees of the Department to be appointed by the Deputy Minister, by means of public or private bidding. The Committee may set forth the terms and conditions of the selling process, and send a copy of the sale decision to the Department of the General Supplies.
2. Supplies to be sold shall be advertised in the local newspapers, and by any appropriate means.

Article (39) Supporting Discharge Vouchers of Invalid Supplies by a Certificate

Upon the destruction or selling of any invalid or excess supplies, the relevant discharge vouchers shall be supported by a certificate stating that the supplies have been destroyed or by a copy of the sale list, as appropriate, indicating the authorization issued to destroy or sell the supplies.

Article (40) Issuing a Destruction Decision

In the event the Deputy Minister is convinced of the uselessness of offering the invalid or excess supplies for sale, or that the expenses of the selling of such supplies exceed the price which may be collected, the Deputy Minister may decide to dispose of or destroy the supplies according to rules, and write them off from the registers through a committee of three members, one of whom shall be from the Department of General Supplies, to be appointed by the Deputy Minister for this purpose. The committee shall testify that it has inspected the supplies and concluded that they are invalid for use or for selling, and shall send a copy of the decision of destruction and write-off to the Department of General Supplies.

Article (41) Authorities to Write off Losses or Shortages

Any loss or shortage in the supplies, taking place without act of negligence or embezzlement, shall be written off in as per the following authorities:

1. Following the decision of the Competent Minister, upon the recommendation of the Deputy Minister, in the event the amount of the supplies, at the time of purchase, does not exceed 1,000 (one thousand) US Dollars, or the equivalent thereof in local currency.
2. Following the decision of the Competent Minister, upon the recommendation of the Competent Minister, in the event the amount of the supplies, at the time of purchase, does not exceed 5,000 (five thousand) US Dollars, or the equivalent thereof in local currency.
3. Following the decision of the Council of Ministers, upon the recommendation of the Minister, in the event the amount of the supplies, at the time of purchase, does not exceed 5,000 (five thousand) US Dollars, or the equivalent thereof in local currency.

Article (42) Lending, Leasing and Transportation of Supplies

The Competent Minister may lend, lease, or transport any supplies to any other Department requiring such supplies, after having informed the Department of Supplies.

Article (43) Donating Excess Governmental Supplies

1. The Competent Minister may grant any excess governmental supplies, the amount of which does not exceed 1500 (one thousand and five hundred) US Dollars or the equivalent thereof in local currency at the time of purchase, to official public or private institutions, charitable societies, sports clubs or cultural and artistic associations to any government or regional institution or foreign state for the purpose of enhancing the relations between them and the National Authority, after having informed the Department of Supplies.

2. Upon the recommendation of the Competent Minister, the Council of Ministers may dedicate or donate the supplies, the amount of which exceeds at the time of purchase 1500 (one thousand and five hundred) US Dollars or the equivalent thereof in local currency, to the entities provided for in Paragraph (1) above, after having informed the Department of Supplies.

Chapter V: Control of the Supplies

Article (44) Tasks of the Department of General Supplies

The Department of General Supplies shall liaise and cooperate with the other Departments with respect to the following:

1. Categorisation of the components of commonly-circulated supplies to facilitate their identification and definition of the aspects of their use and circulation among the Departments.
2. Description of some or all of the supplies with respect to their forms, colours, weights, and measurements.
3. Distinction of the supplies in letters and figures as to ensure non-duality and simplification of the procedures of purchase, storage, easy handling, and utilisation of such supplies.
4. Whenever possible, the governmental supplies shall be distinguished using a stamp specific to each item.

Article (45) Establishment of Supplies Inspection Committees

The Deputy Minister shall establish one or more committees comprised from among the employees in the Department to inspect the supplies and the stock in the warehouses in order to ensure the proper use and safe storage methods at the time the Deputy Minister deems appropriate, provided that the number of the inspection processes is not less than once a year; the committees shall submit their reports to the Deputy Minister.

Article (46) Tasks of Warehouse keepers at the Departments

The warehouse keeper at any Department must:

1. Submit a financial guarantee at a rate specified by the Minister (until the Regulation on Personnel Guarantees is issued).
2. Submit periodic reports to the Deputy Minister on the status of the supplies in their custody at least once a year, supported by lists including the invalid, excess, stagnant, and short supplies.

Article (47) Delivery of Warehouse keepers' Custody

1. The delivery and receipt among warehouse keepers at the Departments or the custodians of any supplies shall be conducted in accordance with inventory lists, conforming to the warehouse registers, to be signed by both the deliverer and recipient and approved by their line managers.
2. In the event the warehouse keeper or the custodians of supplies are not able, for any reason whatsoever to deliver the supplies in their custody to their successor, supplies shall be delivered to a temporary committee to be established by the Deputy Minister for this purpose.
3. In case any excess or shortage of the stock in the warehouse is identified upon delivery, separate lists for either the excess or shortage shall be drawn up and signed by all the entities involved in the delivery and receipt.
4. The employee maintaining custody of any supplies shall be fined an amount not less than the amount of the shortage or the damage resulting from negligence; and appropriate measures shall be taken against such employee.
5. In the event of any assault against the warehouse, the warehouse keeper must duly notify the Deputy Minister, and shall immediately conduct the necessary investigation and take the appropriate measures.

6. In the event of falsification in the registers or embezzlement or shortage in the stock in the warehouse, the party detecting the case shall immediately inform the Department Head who shall conduct the necessary investigation and take the appropriate measures.
7. The Department Head must inform the Minister and the General Control Authority Director of any shortage taking place in the public funds. In coordination with the General Control Authority Director, the Minister shall consider whether necessary investigation and verification shall be conducted again, and take the appropriate measures which shall safeguard the preservation of public funds.

Article (48) Correcting Errors in the Registers

Abrasion, effacement and strike-off in the registers or Disposal Vouchers or the documents relevant to the supplies shall be prohibited. Errors shall be corrected by drawing two parallel lines in red ink across the errors; the correction shall be written in blue or black ink, and the person making the correction shall affix their signature adjacent to the correction.

Article (49) Establishment of Inventory Committees

Upon the recommendation of the Director General, the Minister may establish Inventory Committees to take stock of the warehouses of the Departments in the manner they determine.

Chapter VI: General Articles

Article (50) Registration of the Collected Value of Lost, Excess or Sold Supplies

The entry of the collected prices of the lost, excess, or sold supplies shall be conducted as follows:

1. To the account of the Public Treasury in the event the prices are collected by any Department whose budget is included in the Public Budget.

2. To the account of the revenues of the Department in the event the prices are collected by that Department that enjoys financial autonomy, subject to any provisions indicated in any other Law.

Article (51) Penalties

Every person who violates the provisions of this Law shall be punished with the penalties provided for in the Laws and Regulations in force.

Article (52) Promulgation of Regulations

1. The Council of Ministers may issue the Regulations necessary for the implementation of the provisions of this Law within three months from the date of its enforcement.
2. The Minister shall issue the Regulatory Instructions necessary for the execution of the provisions of this Law and the Regulations issued thereby.

Article (53) Emergence of a Case that cannot be Addressed under this Law

In the event any case which cannot be addressed in accordance with the provisions of this Law arises, or in the event a dispute takes place with respect to the enforcement of this Law, the case shall be referred to the Council of Ministers to issue the decision it deems appropriate concerning that case or dispute, and the decision of the Council of Ministers shall be final and definitive.

Article (54) Repealing

As of the enforcement of this Law, laws, and regulations on supplies applicable in the West Bank and Gaza Strip, in addition to any special regulation or provisions or other legislation which contradict the provisions of this Law shall be repealed.

Article (55) Enforcement and Entry into Force

All the competent authorities, each within the sphere of its jurisdiction, shall enforce the provisions of this Law, which shall enter into force thirty days after its publishing in the Official Gazette.

Promulgated in the city of Gaza on November 2nd, 1998 *Anno Domini*, corresponding to Rajab 13th, 1419 *Anno Hegira*

Yasser Arafat

Chairman of the Executive Committee of the Palestine Liberation Organisation

President of the Palestinian National Authority

Law No. (6) of 1999 on Tenders for Governmental Works

The Chairman of the Executive Committee for Palestine Liberation Organisation,

The President of the Palestinian National Authority

Having reviewed Law No. 8 of 1998 on the General Supplies;

Having reviewed the Public Works Contracting Regulation No. 6 of 1960 applicable in the Governorates of the West Bank;

Having reviewed the Tenders General Conditions Regulation of 1953 applicable in Gaza Governorates;

Having reviewed the Palestinian Contractors Classification Instructions of 1994 applicable in Palestine;

Having reviewed the draft Law submitted by the Council of Ministers;

And upon the approval of the Legislative Council on June 9th, 1999,

We have promulgated the following Law:

Chapter I: Definitions

Article (1) Definitions

In the enforcement of the provisions of this Law, the following words and expressions shall have the meanings ascribed thereto hereunder, unless the context provides otherwise:

Ministry: Ministry of Public Works.

Minister: Minister of Public Works

Department: Any Ministry, Council, Authority, or Public Official Institution.

Competent Officer: The Officer with regards to his Ministry, Departments, and Institutions affiliated therewith. For the purpose of this Law, the term "Competent Officer" includes:

1. The Prime Minister with regards to the Presidency of the Council of Ministers.
2. Speaker of the Palestine Legislative Council with regards to the Palestine Legislative Council.
3. The Minister with regards to his Ministry.
4. The Head of any Department who exercises the competences of the Minister with regards to that Department under special laws or regulations.

Deputy Minister: The Deputy Minister, Director General of the Department, or whoever is appointed to act as his substitute in the event of his absence.

Director: Director General of the Central Tenders Department.

Governor: The Governor exercising his duties in one of the Governorates.

Tenders Department: The Central Tenders Department which is formed according to the provisions of this Law.

Works:	Construction of buildings, roads, facilities, and engineering projects of different types, in addition to the supplies, maintenance and follow up on the execution and supervision thereof.
Technical Services:	Studies, engineering and technical designs of the works and projects, the supervision of the execution and operation thereof, in addition to the survey activities and any technical or engineering consultation relating to the works.
Contractor:	Any natural or corporate person contracted by the Department to execute the works.
Consultant:	Any natural or corporate person who provides the technical services.

Chapter II: Central Tenders Department

Article (2) Establishment of the Central Tenders Department

1. A Department in the Ministry of Public Works shall be established under the name of the Central Tenders Department and shall have its own staff. A Director General shall be appointed to the Department by a decision of the Council of Ministers.
2. The necessary directorates and sections shall be set up in the Central Tenders Department to manage its affairs and the authorities thereof shall be established by a regulation to be issued by the Council of Ministers upon the recommendation of the Minister.
3. The Minister may designate one of the senior employees at the Tenders Department as a deputy to the Director to assist him in managing the affairs of the department and assuming his functions in the event of his absence. The Director

may commission him by virtue of a written authorisation to preside over the meetings of the Central Tenders Committees in special and specific cases.

Article (3) Authorities of the Tenders Department

The Tenders Department shall exercise the functions and authorities vested in it pursuant to the provisions of this Law, including the following:

1. Supervise and follow up on the classification and qualification of contractors and consultants in coordination with and with the participation of the competent and concerned associations and unions and the accredited classification committee by virtue of the contractors classification instructions, in addition to maintaining the information vested therein and in their work for the purposes of work within and outside of the country pursuant to the instructions issued for this purpose.
2. Verify and analyse the governmental technical works and services tenders, and collect, maintain and analyse the information pertaining to the tenders.
3. Consolidate the general conditions of the contracting contract and tendering procedures, and develop such conditions and procedures according to the laws, regulations, and instructions in force.
4. Issue periodical publications on the construction sector, prices of construction materials and work items.
5. Carry out the secretarial works for the Central Tenders Committees.

Chapter III

Article (4) Methods of Executing the Works and Services

The following works and services shall be executed in one of the following methods:

1. Public tenders: tenders that observe the principle of publicity, equality and freedom of competition and are either local or international.

2. Tenders conducted by way of a Request for Proposals by addressing specific invitations to at least three contractors or consultants.
3. Direct contracting in urgent special or exceptional cases.
4. Direct Execution: It is the execution which is carried out by the Ministry through its equipment and staff.

Article (5) Rules of Tendering for Public Works

Upon tendering for public technical works or services, the following rules should be observed pursuant to the provisions of this Law:

1. Tendering shall be conducted through advertisement in the local newspapers provided that the advertisement of any tender or award is not made except when the financial appropriations are available for its execution or there is a commitment for providing same from the financing authority by a resolution of the Council of Ministers.
2. Apply the principle of competition and provide equal opportunities to the qualified entities to execute the works or provide the technical services in the manner deemed appropriate by the competent authority provided that a sufficient period is provided to the contractors and consultants to study the tender documents and submit the proposals that comply with the required nature of works or technical services.
3. Comply, upon the award of the tender, with the best offers which meet the conditions of the tender invitation and the most suitable prices, with due observance to the required quality and the possibility of execution within the fixed period and the capability of the contractor or consultant to carry out the required works according to the conditions and specifications.
4. Stipulate in the conditions of tenders and specifications that the tenderer shall use local materials and industrial products in the works as long as they comply with the approved specifications and avoid

specifying the commercial names of any industry.

5. All the agreements and contractual conditions should be in the Arabic language; however the specifications, layouts, technical reports, and correspondence may be in the English language. Contracts may be also translated into the English language provided that the Arabic language shall prevail in the contract.
6. Comply with the laws, regulations, and instructions in force upon the development of the contractual conditions and not to provide for the exemption from any financial commitment which is imposed by any legislation except after the approval of the Council of Ministers of the exemption prior to the signing of the contract.
7. Give the priority in governmental work projects to local contractors if they meet the required conditions.
8. Foreign companies should observe the relevant laws and regulations in force in Palestine.

Chapter IV: Formation of the Tender Committees

Article (6) Formation of Tender Committees

The following Tenders Committees shall be formed pursuant to the provisions of this Law:

1. Central Tenders Committees
2. Department's Tenders Committee
3. Governorate's Tenders Committee

Article (7) Composition of the Central Tenders Committee

1. A specialised Central Tenders Committee chaired by the Director shall be composed for each of the following four fields and headquartered in the Central Tenders Department, and it may hold its meetings in the Department concerned with the tender:
 - a. Government buildings.
 - b. Water, irrigation, sewage, and dams.

- c. Roads, transportation, and mining.
- d. Electromechanical and telecommunication works.
2. Each committee shall be composed of the:
 - a. Director as the Chairman
 - b. Representative of the Ministry of Finance to be appointed by the Minister as member
 - c. Representative of the Ministry to be appointed by the Minister as a member
 - d. Two representatives for the Department concerned with the tender to be appointed by the competent officer as two members
 - e. Two specialised persons to be appointed by the Minister as two Members
3. The mandate of each committee shall be one renewable year, provided that the members are experienced, competent, and specialised. No person may be a member in more than two committees.
4. These committees shall hold their meetings upon an invitation of their chairman and their meetings shall be considered valid if attended by at least five of their members including the chairman thereof and one of the representatives of the department concerned with the tender. The decisions thereof shall be taken by the majority of votes of four of the attending members.
5. These committees shall be responsible for issuing and awarding the tenders which are beyond the scope of competences of the other committees provided for in this Law or any other tender whose issuance is commissioned by the Minister upon the recommendation of the competent officer.
6. The decisions of the Central Tenders Committees shall be subject to the approval of the Minister.
7. The Minister or his authorized representation in writing shall sign the agreements on behalf of the Government in execution of the decisions of the Central Tenders Committees.

Article (8) Composition of the Department's Tenders Committee

1. A tenders committee, known as the Department's Tenders Committee shall be formed in every department in the following manner:
 - a. Deputy Minister as the Chairman;
 - b. Two persons to be appointed by the Competent officer as two Members;
 - c. Two representatives of the Tenders Department to be appointed by the Minister; upon the recommendation of the Director General as two Members;
 - d. A Representative of the Ministry of Finance to be appointed by the Minister of Finance as a member.
2. The term of the members of this Committee shall be for a period of one year, renewable for one time only. This Committee shall be responsible for issuing and awarding the work tenders the value of which does not exceed one hundred and fifty thousand American Dollars or the equivalent thereof in local currency, and the technical service tenders the value of which does not exceed seven thousand American Dollars or the equivalent thereof in local currency.
3. The Department's Tenders Committee shall hold its meetings upon the invitation of its chairman and its meetings shall be considered valid if attended by at least four of its members including its chairman. It shall take its decisions by the majority of four votes of its attending members.
4. The decisions of This Committee shall be subject to the approval of the competent officer who shall sign the agreements in execution of the decisions issued thereby.

Article (9) Composition of the Governorate's Tenders Committee

1. A committee known as the Governorate's Tenders Committee There shall be formed in every Governorate in the following manner:
 - a. Director of Works in the Governorate as the Chairman;

- b. A representative of the Ministry of Local Government to be appointed by the Minister of Local Government as a member;
 - c. A representative of the Ministry of Finance to be appointed by the Minister of Finance as a member;
 - d. A representative of the Department concerned with the tender to be appointed by the competent officer as a member;
 - e. A representative of the Tenders Department to be appointed by the Minister upon the recommendation of the Director as a member;
 - f. A representative of the Ministry of Interior to be appointed by the Governor Member;
2. The term of the members of this Committee shall be for one year renewable for one time only. This Committee shall be responsible for issuing and awarding the work tenders the value of which does not exceed twenty five thousand American Dollars or the equivalent thereof in local currency.
 3. The Governorate's Tenders Committee shall hold its meetings upon the invitation of its chairman and its meetings shall be considered valid if attended by at least five of its members including its chairman. It shall take its decisions by the majority of four votes of its attending members.
 4. The decisions of This Committee shall be subject to the approval of the Governor and the competent authority shall sign the agreements in execution of these decisions.

Article (10) Sessions of the Tenders Committees

1. The Tenders Committees should record a minutes for each of its meetings and prepare a report of its recommendations to be signed by its attending chairman and members. A copy thereof should be kept in the file pertaining to the tender. The member who fails to attend the meeting should submit a statement signed by him of the reasons of his

non-attendance and attach it to the Committee's report.

2. The representative of the Public Control Authority should participate in the meetings of the Tenders Committees provided for in this Law in the capacity of an observer.
3. The concerned officer may appoint any of the members of the Tenders Committees provided for in this Law. He may substitute another member in his place at any time. However, the representative of the department concerned with the tender presented to any such committee during its review thereof shall not be replaced until the issue of its recommendations or decision in respect thereof. Any measure taken to the contrary thereof shall be void.

Article (11) Consultation with Experts and Technicians

The Central Tenders Committees or any other tenders committee may, subsequent to the approval of the Minister or the competent officer, seek the assistance of experts and technicians in the matters relating to the tenders presented thereto. The Council of Ministers may grant, upon the recommendation of the Minister, such experts or technicians financial remunerations which are proportionate with the works they have carried out.

Article (12) Validity of Issuing Regulations

The tendering procedures, conditions of participation therein, periods of notices, the required financial guarantees, methods of submitting, opening, studying and evaluating proposals, rules of award and other conditions to be satisfied in the tender documents and in the contractors or consultants shall be arranged pursuant to the regulations issued by the Council of Ministers and published in the Official Gazette, and shall be binding.

Article (13) Observation of the Government Tender Regulations in the Tendering Process

The head of the competent tenders committee shall tender the works or technical services subject to the Government Tender Regulations issued pursuant to the foregoing Article (12) of this Law and may, subsequent to the approval

of the awarding authority, distribute copies of the tender free of charge to the related parties.

Article (14) Establishment of Specialised Technical Committees

Specialized technical committees shall be formed in each of the Central Tenders Department and other Departments specified in this Law to examine the bids from the technical aspects and submit their recommendations to the main committees to which bids are referred.

Article (15) Decisions of the Tenders Committees

The decisions and recommendations of the Tenders Committees should be forwarded to the authorities concerned with the approval of same within seven days from the issue thereof, and these authorities shall issue their decisions with respect to the tender within thirty days from its receipt. If such authorities do not issue a decision of approval or otherwise within such period, the decision of the tenders committee shall be deemed decisive for the award.

Article (16) Invitation for a Tender More than Once

If the invitation for a tender is issued more than once and the number of bidders is not sufficient, the prices in the submitted proposals were not reasonable or the proposals were conditional or incomplete, in such a case the tenders committee should submit a report on the subject to the authority competent to approve the tender. Such authority may decide to reissue the tender or award the lowest-priced proposal submitted.

Article (17) Cases of Request for Proposals or Direct Contracting

Works may be executed or technical services provided through Requests for Proposals or Direct Contracting as per the authorities provided for in Article (187) of this Law in any of the following cases:

1. In urgent cases to meet contingency situations or when the situation that does not allow conducting the tendering procedures.

2. To standardize the machinery and equipment or to reduce their diversity in order to save in the purchase of spare parts or to procure the required expertise for the use thereof.
3. To purchase spare parts, accessory parts, machines, tools, supplies or tasks which are not available at more than one source with the same degree of efficiency.
4. Upon entering into contract for technical services or provision of scientific services.
5. If the contracting for the execution of works or delivery of services is made with governmental institutions or scientific institutions or when the prices are fixed by the official authorities.

Article (18) Authorities in the Execution of Works through Requests for Proposals or Direct Contracting

1. The execution of works shall be made through the Requests for Proposals or Direct Contracting as per the following authorities, and the agreements relating thereto shall be signed by the competent authority, upon:
 - a. A resolution from the Council of Ministers upon the recommendation of the Minister, if the tender relates to the Ministry, and upon the recommendation of the Minister and the competent officer if the tender relates to any other department, when the value of works in either case is more than one hundred and fifty thousand Dollars and does not exceed four hundred thousand Dollars or the equivalent thereof in local currency, provided that the decision is coupled with a recommendation of a technical committee formed by the Minister and the competent officer who is specialised and experienced in the subject of the tender.
 - b. A decision from the Minister upon the recommendation of a technical committee formed by the Minister under the chairmanship of the Deputy Minister or the Director when the value of the tender does not exceed one hundred and fifty thousand Dollars or the equivalent thereof in local currency.

2. Contracting for the delivery of technical services shall be made through requests for proposals or direct contracting as per the following authorities, and the related agreements shall be signed by the Minister or by whoever he authorises in writing, upon:
 - a. A resolution from the Council of Ministers upon the recommendation of the Minister when the value of the technical services is more than seventy five thousand Dollars and does not exceed two hundred and fifty thousand Dollars or the equivalent thereof in local currency, provided that the resolution be coupled with the recommendation of a technical committee which is formed by the Minister for this purpose.
 - b. A decision from the Minister upon the recommendation of a technical committee formed by the Minister under the chairmanship of the Deputy Minister when the value of the technical services exceeds seventy five thousand Dollars or the equivalent thereof in local currency.
 - c. A decision from the competent officer upon the recommendation of a technical committee formed by the competent officer under the chairmanship of the Deputy Minister when the value of the technical services does not exceed twenty five thousand Dollars or the equivalent thereof in local currency.
 - d. A decision from the Deputy Minister upon the recommendation of a technical committee formed by the competent officer when the value of the technical services does not exceed seven thousand (7,000) Dollars or the equivalent thereof in local currency.
- of the work according to the tender plans, specifications, and conditions. The stipulation of any work in any of the documents constituting the tender shall be considered sufficient to substantiate the necessity to execute such work.
 2. Each amendment, addition, or change which was not provided for in any of the tender documents upon the signing of the agreement and which execution became necessary under the circumstances of the project shall be considered as an additional work. Increases in the actual quantity of works which are executed according to the plans and the execution thereof do not require the issue of a variation order shall not be considered as an additional work.
 3. If work circumstances require the creation of new items which were not originally mentioned in any of the tender documents, the prices of such items shall be fixed upon the approval of the competent officer upon the recommendation of the supervising engineer.
 4. If it becomes necessary to carry out any amendment, addition or change during the execution, the award decision shall remain in effect and the tender execution supervision authority should previously submit to the competent authority a technical report containing the justifications for carrying out the additional works, the extent of need thereof and their effect on the value of the tender.
- Additional works and variation orders shall be executed based on the report of a technical committee composed for this purpose of at least three competent persons experienced in this field as per the following authorities:
1. By a decision from the supervising engineer if the total value of the excess is less than five (5%) per cent of the tender value or five thousand (5,000) Dollars, whichever is less.
 2. By a decision from the Deputy Minister if the total excess in the value of the additional works and quantities during the execution ranges between five and fifteen (5-15%) per cent of the value of tender or

Article (19) Execution of Works as per the Plans, Specifications, and Conditions

1. No amendment, addition, or change shall be made in the shape, quality, or quantity of the works nor in the volume of the technical services during the execution, and the employer and the supervisory authority shall comply with the execution

the sum of fifty thousand (50,000) Dollars, whichever is less.

3. By a decision from the competent officer if the total excess in the value of the additional works and quantities during the execution exceeds fifty thousand (50,000) Dollars or the equivalent thereof in local currency or if the percentage thereof is over fifteen (15%) per cent and less than twenty five (25%) per cent of the value of the tender. In all cases, such excess must not exceed the sum of two hundred and fifty thousand Dollars or the equivalent thereof in local currency.
4. By a resolution of the Council of Ministers if the value of the works executed as a result of the additional works and the increase in the quantities during the execution exceed in percentage or value the authority of the competent officer provided for in paragraph (c) of this Article.

Chapter V: Tender Opening

Article (20) Closing the Tender Box

The tender box shall be closed at the time specified in the tender announcement, and any bid received after the scheduled closing time shall be rejected.

Article (21) Procedures of Opening the Tender Box

The committee shall open the tender box after ascertaining its integrity on the day and hour scheduled for opening the envelopes as the deadline for submitting the bids, and should take the following measures:

1. Establish the condition in which the envelopes were received.
2. Establish the number of envelopes in the minutes of envelopes opening.
3. Open the bids successively, and the chairman of the committee shall place on every opened bid and its envelope a serial number in the form of an ordinary fraction wherein the numerator of which is the tender number and the denominator thereof is the number of incoming bids.

4. Number the papers comprising the tender and establish the number of such papers.
5. Read the name of the bidder, prices and total bid to the attending bidders or their representatives.
6. Establish the total bids in words and the amount of the initial bid bond.
7. The chairman of the committee and all attending members shall sign on the tender, its envelope, and all its papers.
8. The chairman of the committee and all attending members shall sign on the minutes of the committee after substantiating all the foregoing steps.

Article (22) Calculation of the Amounts of Bonds

The Tenders Committee shall calculate the amounts of bonds or documents relating thereto and promptly hand over same to the requesting authority for recording same as trusts to be kept in a locked safe until the finalisation of all of its work.

Article (23) Sample Review and Preservation

The Tenders Committee should review the samples submitted by the tenderers against the statement in which these samples were recorded upon the receipt thereof, verify their descriptions and volumes and preserve them in a safe place with the requesting party provided that the same is established in the minutes of the committee.

Article (24) Tender Reconciliation and Submission to the Committee

Following the reconciliation of the bids on the transfer statement and verification of their validity and conformity with the tender conditions, the bids and all papers of the tenders should be submitted to the Tenders Committee coupled with the observations of the technical committee.

Chapter VI: Settlement of Bids and Signing of Contracts

Article (25) Negotiations after Tenders Opening

After the opening of tenders, negotiations shall not be initiated with any bidder concerning the amendment of its bid. However, the committee may negotiate with the lowest bidder which is coupled with one or more reservations in order to waive all or some of its reservations in order to align its bid with the tender conditions as much as possible. The committee may also negotiate with the lowest bidder whose bid is not coupled with reservations in order to bring its price down to the market level. The negotiation shall be conducted in both mentioned cases based on a decision from the competent officer.

Article (26) Exclusion of Tenders

If the tenderer had previously breached, neglected or failed in its previous obligations or was subject to an effective decision of deprivation, the Tenders Committee has the right to exclude its bid.

Article (27) Cancellation of Tenders

The Tenders Committee has the right to cancel the tender if all the bids are violating the conditions or incomplete in a manner that render them invalid for consideration. In such a case, it shall have the right to re-issue the tender anew in the same steps made upon the announcement for the first time.

Article (28) Splitting the Tender between many Bidders

The tender may be split between many bidders if this is permitted under the conditions of the tender or in the Request for Proposals.

Chapter VII: Responsibilities and Obligations of the Contractor

Article (29) Delay in the Execution of the Contract

If the contractor delays in the execution of the contract beyond the prescribed time, the contracting authority may, if it is in the public interest, grant the contractor an additional

period to complete the execution provided that a fine for the period of delay is imposed against the contractor as per the percentages, bases and limits provided for in the contract such that the total fine may not exceed ten (10%) per cent with respect to contracting contracts and five (5%) with respect to supply contracts. The fine shall be imposed promptly upon the occurrence of the delay without the need to address a notice or warning or taking any other judicial procedures.

The imposition of the fine shall not breach the right of the contracting authority to claim full compensation from the contractor for the damages it has sustained as a result of its delay in fulfilling its obligations.

Article (30) Cases of Contract Termination and Performance Bond Confiscation

The contract shall be terminated and the performance bond confiscated in the following cases:

1. If the contractor resorts to fraud or manipulation in its dealing with the contracting authority.
2. If it has been established that the contractor has set, personally or through a third party, directly or indirectly, to bribe one of the employees of the authorities governed by the provisions of the law.
3. If the contractor has become bankrupt or insolvent in a manner which would not allow it to execute the tender.
4. The termination of the contract and confiscation of the bond shall not prejudice the right of the contracting authority to have recourse towards the contractor with the necessary compensations.

Article (31) Breach of the Contract Conditions by the Contractor

If the contractor breaches any of the conditions of the contract, the contracting authority shall have the right to annul the contract or execute it at the expense of the contractor.

The termination or execution of the contract at the contractor's expense shall be determined by a decision from the competent entity, which shall be notified to the contractor by a

registered letter against acknowledgement of receipt at its address indicated in the contract.

Article (32) Right to Confiscate the Performance Bond

The contracting authority shall have the right, in the event of termination or execution of the contract at the contractor's expense, to confiscate the final bond and obtain all fines payable thereto from the entitlements of the contractor with it or from amounts with any other administrative entity without the need to take any judicial procedures. The contractor or consultant shall have the right to request arbitration or resort to the courts of law within seventy five (75) days from the date of the contract's termination decision.

Article (33) Decease of the Contractor

In the event of death of the contractor, the contracting authority may terminate the contract and refund the bond unless the requesting authority has dues towards the contractor or permit the heirs to continue in the execution of the contract provided that they appoint an attorney to be approved by the competent authority.

If the contract was concluded with many joint contractors or partners and one of them passes away, the contracting authority shall have the right to request the remaining contractors to continue with the execution of the contract.

Article (34) Force Majeure

1. The contractor shall not sustain the damages arising out of the delay in executing the contract or non-fulfilment thereof if the delay or non-fulfilment is due to a force majeure.
2. In all cases, in the event of a force majeure, the contractor should immediately notify the contracting authority in writing of the circumstances and reasons which prevent the execution of the contract or cause delay in the fulfilment thereof, and submit all supporting documents in this respect.
3. The temporary force majeure shall be of the justifications of the delay and fulfilment should be made after the end thereof. The permanent force majeure shall be of the justifications of non-fulfilment.

Chapter VIII: Guarantees and Fines

Article (35) Guarantees of the Works Tender

1. The guarantees of the works tender are specified as follows:
 - a. Bid Bond: Shall be specified at a fixed amount. This amount shall be calculated on the basis of two-three (2-3%) per cent of the estimated tender value and shall be indicated in the tender offer form appendix.
 - b. Performance Bond: It shall be at the rate of 10% of the value of contract.
 - c. Maintenance Guarantee: It shall be at the rate of 5% of the actual project value after completion.
2. A performance bond at the rate of ten (10%) per cent of the value of contract shall be set for the technical service tenders.
3. The period of execution of the tender and amount of the delay fine for every day shall be specified in the tender offer form appendix, provided that such fine is proportionate with the value of contract and the period of its execution, and that the rate of the daily delay fine of the overall value of the tender shall not exceed ten (10%) per cent of the daily production average provided that the percentage of the fine of the tender's total value does not exceed ten (10%) per cent.
4. Subject to the approval of the Minister or the competent officer, advance payments of the cost of the project may be made on account against a certified letter of guarantee in the amount of the paid payment according to the conditions, rates and limits indicated in the instructions or conditions of the tender.

Chapter IX: Classification of Contractors and Consultants (and Engineering Offices)

Article (36) Classification of Contractors

1. The contractors in the various types of works shall be classified within categories and grades according to the

financial, technical, and administrative qualifications, equipment, and experience in the execution of works pursuant to the approved contractor classification instructions.

2. The Council of Ministers shall form, upon the recommendation of the Minister, one or more committees to examine the contractor classification requests for the different types of works, categories or grades of classification provided that the Contractors Union and Engineers Association are represented on these committees. The Council of Ministers may grant, upon the recommendation of the Minister, remunerations to the members of the classification committees.
3. The officially-approved contractor classification schedules shall be applied in all governmental and semi-governmental institutions for the purposes of tenders in the governmental work tenders.

Article (37) Designation of a Section to Maintain Information on Contractors and Consultants

1. A Section in the Tenders Department shall be designated to maintain information on local and nonlocal contractors and consultants who are operating in the country as well as on the works or general technical services for statistical purposes.
2. All departments and Tenders Committees responsible for awarding public work tenders or technical tenders pursuant to this Law or any special regulations should provide the Central Tenders Department within a maximum period of one month from the date of award of the tender, with a copy of the agreement, conditions, prices, decision of the Tenders Committee and amount of the award.
3. Every department that follows up on the execution of technical services and works should provide the Tenders Department, upon the completion of the works or services projects, with the final information on the project indicating the final cost of the work, period of execution, variation orders, additional works, extensions, fines and any other information requested by the Tenders Department.

Article (38) Obligation to Adopt the Unified General Conditions of Tenders

Every department should adopt, upon the execution of technical services and works pertaining thereto, the unified general conditions of the tenders provided that the particular conditions of the contract stipulate any amendments or additional conditions.

Chapter X: General Provisions

Article (39) Execution of Tenders by the Ministry

Notwithstanding the provisions of this Law, the Council of Ministers may entrust to the Ministry the execution of works that belong directly to any department if the technical capabilities and machinery of the Ministry permit it.

Article (40) Contingency Situations

Upon the occurrence of any contingency situation which cannot be addressed under the provisions of this Law, the Council of Ministers may resolve, upon the request of the Minister or competent officer, such situation as it deems appropriate, and its decision shall be final.

Article (41) Prohibition of Contracting with Unlicensed Contractors

1. No moral person or corporate entity may conclude a constructional agreement with an unlicensed and unclassified contractor.
2. No unlicensed and unclassified contractor may carry out contracting work, under the penalty of penal sanctions.

Article (42) Promulgation of Bylaws

The Council of Ministers shall issue the bylaws and regulations which are necessary for implementing the provisions of this Law within three months from the effective date of the Law.

Article (43) Repeals

The Law on the General Conditions of Tenders and Procurement of Commodities of 1953 and its amendments applicable in the Governorates of Gaza, the Public Works

Contracting Regulation No. (1) of 1953 which is in force in the Governorates of the (West) Bank and any provision that contradicts with the provisions of this Law shall be repealed.

Article (44) Continuation of Effectiveness

The Palestinian Contractor Instructions of 1994 shall remain effective until they are substituted with a regulation issued by the Council of Ministers.

Article (45) Execution and Enforcement

All the competent authorities, each within the sphere of its jurisdiction, shall execute the provisions of this Law, which shall become effective thirty days after its publishing in the Official Gazette.

Promulgated in the city of Gaza on December 28th, 1999 *Anno Domini*, corresponding to Ramadan 20th, 1420 *Anno Hegira*

Yasser Arafat

Chairman of the Executive Committee of the Palestine Liberation Organisation

President of the Palestinian National Authority

Law No. 6 of 2004 Concerning the Amendment of Some Provisions under the Law No. 9 of 1998 of General Supplies

The Chairman of the Palestine Liberation Organisation,

The President of the Palestinian National Authority

Having reviewed the Amended Basic Law;

The Law No. (9) of 1998 of General Supplies; and

The Presidential Decree No. 7 of 2003 A.D. on the Formation of the Council of Ministers, which was promulgated on April 29th, 2003 A.D.; and

Based upon what was adopted by the Legislative Council during its session held on May 28th, 2003 A.D.,

We have hereby promulgated the following Law:

Article (1) Amendment of Article (14/A)

The following text shall replace the text of Article (14/A) of the Law No. 9 of 1998 of General Supplies:

A) By a resolution from the Council of Ministers, upon the recommendation of the competent Minister and Ministers, a Central Tenders Committee shall be comprised in order to perform the tasks and powers provided for in this Law, as follows:

1. The Director General as Chairman;
2. A representative of the Ministry of Finance as Member;
3. A representative of the Ministry of National Economy as Member;
4. A representative of the Ministry of Public Works and Housing as Member.

Article (2) Execution, Enforcement, and Publishing

All competent authorities, each one within the scope of its competences, shall implement the provisions of this Law, which shall enter into force as of April 29th, 2003 A.D. and shall be published in the Official Gazette.

Promulgated in the city of Ramallah on August 15th, 2004 *Anno Domini*, corresponding to Jumad Akhar 29th, 1425 *Anno Hegira*.

Yasser Arafat

Chairman of the Executive Committee of the Palestine Liberation Organisation

President of the Palestinian National Authority

1.b. Presidential Decrees

Decree-Law No. 3 of 2008 on the Amendment of the Law on the Regulation of the Public Budget and Financial Affairs No. 7 of 1998

The Chairman of the Executive Committee of the Palestine Liberation Organisation,

The President of the Palestinian National Authority

Having reviewed the Amended Basic Law of 2003, particularly Article (43) thereof;

Having reviewed the Law No. 7 of 1998 on the Regulation of the Public Budget and Financial Affairs;

Having reviewed the Law No. 24 of 2005 of Public Debt;

Having reviewed the recommendation of the Council of Ministers on February 4th, 2008;

Based upon the powers vested in us; and

In pursuit of the public interest,

We have hereby promulgated the following Decree-Law:

Article (1) Reference to the Original Law

For the purposes of amendment, Law No. 7 of 1998 on the Regulation of the Public Budget and Financial Affairs in this Decree-Law shall be referred to as the Original Law.

Article (2) Deletion of the Phrase "Treasury Department"

The phrase 'Treasury Department', wherever it is mentioned under the Original Law, shall be deleted and replaced by the phrase Accountant General.

Article (3) Amendment of Article (1)

Article (1) (Definitions) of the Original Law shall be amended as follows:

First: Clause (1) in the Treasury Department phrase, mentioned in Article (1) (Definitions) of the Original Law, shall be deleted and replaced by the following text:

1. Prepare the Public Budget of the National Authority as well as the budgets of the institutions.

Second: The phrase 'Treasury Department', including the clauses thereunder, mentioned in Article (1) (Definitions) of the Original Law shall be deleted and replaced by the following text:

The Accountant General shall be the entity at the Ministry of Finance responsible for the following:

1. Financial planning and projection of cash flows.
2. Cash management and organising banking arrangements for the National Authority.
3. Managing, organising, monitoring, and controlling the different financing resources.
4. Managing the banking accounts of the National Authority.
5. Managing the financial assets of the National Authority, including both financial and fixed assets.
6. Managing public debts.
7. Managing grants and loans.
8. Executing the Public Budget of the National Authority.
9. Accounting and publishing reports.

Article (4) Amendment of Article (20)

Article (20) of the Original Law shall be amended as follows:

First: Paragraph (a) of this Article shall be deleted and replaced by the following text:

- a. Preparing the annual Public Budget for the ministries and public institutions as well as the budgets of the institutions of the National Authority, including the financing budget.

Second: Paragraph (c) of this Article shall be deleted and replaced by the following text:

- c. Conducting the studies and research papers required for the preparation of the Public Budget.

Article (5) Amendment of Article (26)

Article (27) of the Original Law shall be amended as follows:

The Budget Department shall be responsible for setting forth, classifying, categorizing, and describing the structure of the Public Budget and its accounts.

Article (6) Amendment of Article (41)

The preamble mentioned at the beginning of Article (41) of the Original Law shall be deleted and replaced by the following text:

In respect of the execution of the Public Budget, the Ministry shall assume, through the Accountant General, the following responsibilities and tasks:

Article (7) Amendment of Article (42)

Article (42) of the Original Law shall be deleted and replaced by the following text:

The appropriations in the *Public Budget Law* shall be disbursed on the basis of general or special financial orders to be issued forth by the Minister and implemented by the Accountant General through financial transfers.

Article (8) Amendment of Article (46)

Article (46) of the Original Law shall be deleted and replaced by the following text:

All ministries and public institutions shall provide the Accountant General with a

detailed statement of the actual monthly expenditure from their approved allocations, report on cash flows, expenses projected for the next month, as well as the financial position of the actual revenues, grants, and collections by maximum the first week of the following month.

Article (9) Amendment of Article (56)

Article (56) of the Original Law shall be deleted and replaced by the following text:

The Ministry shall be the sole body, to the exclusion of any other bodies, authorised to sign loan agreements for ministries and public institutions of the National Authority in line with the laws and regulations in force. Furthermore, the Ministry shall manage and monitor the governmental debt through the Accountant General.

Article (10) Promulgation of Bylaws

The Council of Ministers shall promulgate the bylaws necessary for enforcement of the provisions of this Decree-Law.

Article (11) Repealing

All that contradicts the provisions of this Decree-Law shall be repealed.

Article (12) Presentation to the Legislative Council

This Decree-Law shall be presented to the Legislative Council in its first session held for approval thereof.

Article (13) Execution, Enforcement, and Publishing

All competent authorities, each one within the scope of its competences, shall implement the provisions of this Decree-Law, which shall enter into force as of the date of its issuance, and it shall be published in the Official Gazette.

Promulgated in the city of Ramallah on March 24th, 2008 *Anno Domini*, corresponding to Rabi' al Awwal 16th, 1429 *Anno Hegira*.

Mahmoud Abbas

Chairman of the Executive Committee of the Palestine Liberation Organisation

President of the Palestinian National Authority

Decree-Law No. 15 of 2011 on Public Procurement

The President of the State of Palestine,

The Chairman of the Executive Committee of the Palestine Liberation Organisation,

The President of the Palestinian National Authority,

Having reviewed the Amended Basic Law of 2003 and its amendments, particularly Article (43) thereof;

The Law No. 7 of 1998 on the Regulation of the Public Budget and Financial Affairs, and its amendments,

The Law No. 9 of 1998 on General Supplies, and its amendments,

The Law No. 6 of 1999 on Tenders for Government Works,

Based upon the recommendation of the Council of Ministers in its session held on June 20th, 2011,

Based upon the powers bestowed upon us;

In pursuit of the public interest;

In the name of the Arab Palestinian people,

We have hereby promulgated the following Decree-Law:

Chapter I: Definitions and General Provisions

Article (1) Definitions

The words and expressions mentioned under this Law shall have the meanings ascribed thereto hereunder unless the context requires otherwise:

The Authority:	The Palestinian National Authority.
The Council:	The Higher Council of Public Procurement Policies, which is constituted in accordance with the provisions of this Decree-Law.
The Commission:	The Public Procurement Commission, which is constituted in accordance with the provisions of this Decree-Law.
The Chairman:	The Chairman of the Commission.
The Unit:	The Dispute Review Unit.
The Competent Officer:	The officer in regards to his ministries and affiliated Departments and institutions, or the employees of senior levels whom he authorises. For the purposes of this Law, the phrase 'Competent Officer' shall include: <ol style="list-style-type: none">1. The Prime Minister in regards to the Presidency of the Council of Ministers.2. The Speaker of the Palestinian Legislative Council in regards to the Palestinian Legislative Council.3. The Minister in regards to his ministry.

	<p>4. The chairman of any department, who exercises the minister's powers in relation to such department in accordance with special laws or regulations.</p> <p>5. The Deputy Minister: the deputy minister of any ministry or deputy manager of any department.</p>	
Person:	The natural or juridical person.	
Purchasing Entity:	Any department or public institution, in accordance with its meaning under the Law on the Regulation of the Public Budget and Financial Affairs, or any local body or public companies in which the Authority owns more than 50% of their shares, or public facilities which earn financial revenues from the sale of non-consultancy services, or any person for whom public funds have been allocated for his benefit to use them in public procurement, or diplomatic delegations abroad.	
Public Funds:	Any funds transferred by the government to the purchasing entity, whether derived from the budget, loans, or grants.	
Procurement:	The acquisition by the purchasing entity, through any contractual method, of any supplies, general works, consultancy services, or other services which are funded through public funds or which serve the public interest.	
Beneficiary:	The entity for whose benefit the procurement is carried out.	
		Department: Any ministry, public institution, or any other agency, whose budget falls within or is annexed to the Public Budget of the Authority.
		Supplies: The movable properties of any type or specification whatsoever, and services associated therewith if their amount does not exceed the amount of the same supplies.
		Works: All of the works associated with construction, restoration, preparation of the site, demolition, and repair, maintenance, or refurbishment of highways, construction of infrastructure or superstructure, installations, or construction works relating to excavation, as well as installation of equipment and materials, decorations, and services associated with the works when the amount of such services does not exceed the amount of the same works.
		Consultancy Services: Capability building, training, transfer of knowledge, preparation of studies of various types, engineering designs, and tender documents, project implementation oversight and operation, survey works, or any engineering consultancies pertaining to specifications and tests.
		Non-Consultancy Services: Any services other than consultancy services, such as the services of insurance, maintenance, supplies, cleaning and guarding.
		Bid: The procurement process, in which bidders submit tenders.

Bidder:	The person who actually participate or will potentially participate in the bid.
Bidding Procedures:	The procedures related to the procurement, starting with the advertisement of the bid or request of proposals until issuance of the competent Tender Committee issues its financial decision on the final award.
Tender:	The proposal submitted by the bidder to deliver supplies, works, or non-consultancy services through a bid.
Declaration of Performance:	A declaration signed by the bidder to guarantee its compliance with the bid conditions.
Proposal:	The proposal offered by the person who participates in the request for proposals or direct purchase or who participates in proposals for consultancy services.
Contract:	An agreement signed between the purchasing entity and the supplier, contractor, consultant, or service provider, which arises from the procurement contracting procedures.
Terms of Reference:	The conditions that specify the purposes, goals and scope of the consultancy mission and which provide information on the requested service.
Supplier:	The person who implements any works in accordance with a contract concluded with the purchasing entity.
Contractor:	The person who executes any works under a contract concluded with the purchasing entity.

Service Provider:	The person who provides public services in accordance with a contract concluded with the purchasing entity.
Consultant:	Any person who is contracted to provide consultancy services.
Force Majeure:	An incident or situation which is beyond the control of the parties to the contract, which cannot be foreseen, is not a result of negligence or the absence of due diligence, and renders the implementation impossible.
The Regulation:	The Regulation issued forth in accordance with the provisions of this Law.
Day:	The calendar day unless specified otherwise.

Article (2) Scope of the Enforcement of the Law

Any purchasing entity or beneficiary and all committees established in conformity with the provisions of this Law shall be subject to the provisions of this Law.

Article (3) Exclusion from Enforcement

The enforcement of the provisions of this Decree-Law shall exclude:

1. The procurement of supplies, services, and works of a high security nature, which are specified by a decision from the Council of Ministers.
2. Printing and issuance of currencies and relevant transfers.
3. Mutual procurement between purchasing entities.

Article (4) Observation of International Agreements

The provisions of this Decree-Law shall be enforced subject to the conditions provided for in agreements concluded with international entities.

Article (5) Objectives of the Law

This Law aims to achieve the following:

1. Procure supplies, works, and services at the best prices in a manner that contributes to the rationalization of expenditures and quality assurance.
2. Encourage local industries and economic development in Palestine.
3. Achieve sustainable development through capability building.
4. Promote the principle of fair competition and encourage qualified suppliers, contractors, and consultants to participate in public procurement procedures.
5. Allow equitable opportunities without discrimination, and provide fair and equal treatment for all bidders and consultants.
6. Ensure transparency and integrity in the procedures and implementation of public procurement processes.

Chapter II: Institutional Arrangements

Article (6) Establishment of the Council

1. In conformity with the provisions of this Decree-Law, a council to be called the "Higher Council of Public Procurement Policies" shall be established. It shall have a juridical personality and independent financial liability and shall enjoy financial and administrative independence.
2. The head office of the Council shall be in the city of Jerusalem, and it may open other branches in any other place.

Article (7) Formation of the Council

1. In accordance with a decision from the Council of Ministers, the Council shall be composed of a chairman and eight members representing the following agencies:
 - a. The Ministry of Finance, as Deputy Chairman
 - b. The Ministry of Public Works and Housing, as member

- c. The Ministry of National Economy, as member
 - d. The Ministry of Planning and Administrative Development, as member
 - e. Four members, determined by the Council of Ministers, who are experienced and specialised in public procurement and not employed in the public sector.
2. All financial entitlements of the Council Chairman shall be determined by the Council of Ministers' decision.
3. The competent Officer shall nominate the member who represents his ministry, provided that he is from among employees of the higher category in the ministry.
4. The term of membership for the expert members in the Council shall be three years renewable for one term.
5. The term of membership for the representatives of ministries in the Council shall be two years renewable for one term unless their service at the ministry is terminated for any reason whatsoever.

Article (8) Competences of the Council

For achievement of its goals, the Council shall exercise the following competences:

1. Develop and set national policies on public procurement and submit them to the Council of Ministers for approval, with a view to achieving the following objectives:
 - a. Give precedence to the Palestinian local product, contractor, and consultant, subject to the technical quality requirements.
 - b. Approve of a preferential percentage to the prices of Palestinian producers and contractors in international bids during the evaluation of tenders.
 - c. Adopt the principle of priority in the recruitment of Palestinian workers in works tenders with a view to creating employment opportunities.

2. Develop the regulations necessary for the enforcement of this Decree-Law, including the regulations on functions of the Council, and submit them to the Council of Ministers for approval and issuance.
3. Issue forth the instructions necessary for the enforcement of this Decree-Law.
4. Adopt standard forms for the contracts, standard documents for tenders, and qualification documents to be used by purchasing entities.
5. Evaluate the performance of purchasing entities and the extent of their compliance with the provisions of the Law, and submit relevant reports, attached with their recommendations, to the Council of Ministers.
6. Develop procedures that aim to improve the public procurement system, including approval of gradual use of information and communications technology.
7. Offer advice and consultancy to the purchasing entity.
8. Provide secretariat functions to the Dispute Review Unit.
9. Develop annual reports relating to public procurement processes, evaluate the effectiveness of the public procurement policy, and submit them to the Council of Ministers.
10. Cooperate with local and international institutions and forums in relation to public procurement and representation of the National Authority.

Article (9) Conditions of Appointment of the Council Chairman and his Powers

1. The Council Chairman must satisfy the following conditions:
 - a. To be of Palestinian nationality.
 - b. To hold at least the first university degree in administrative, financial, engineering or legal sciences.
 - c. To have scientific experience of not less than ten years in public policy administration and contract management.

- d. To be of good conduct and not convicted with any crime or misdemeanour of moral turpitude or breach of trust.

2. The term of chairmanship of the Council Chairman shall be four years renewable for one term only.
3. The Regulation shall set forth the tasks and powers of the Council Chairman.

Article (10) Cases of Vacancy of the Position of Council Chairman and Members

1. Subject to provisions of Clause (5) of Article 7, the services of the Council chairman and members shall expire by default in any of the following cases:
 - a. Death.
 - b. Submission of resignation to the competent authority. The resignation shall be deemed to be effective as of the date of its acceptance. In the event a response is not provided within thirty days from the date of its submission, the resignation shall be deemed implicitly accepted.
 - c. Loss of legal capacity.
 - d. Medical disability.
 - e. Be convicted by a final judgement by a competent Palestinian court with a crime or misdemeanour of moral turpitude or breach of trust.
2. In the event he submits his resignation, the Council Chairman shall abide by performing his tasks during the period defined under Paragraph (b) of this Article.
3. In case the position of the Council Chairman or any Council members becomes vacant, the vacancy shall be completed in accordance with the provisions of this Decree-Law.

Article (11) Financial Resources of the Council

Resources and revenues of the Council shall consist of the following sources:

1. Grants, presents, donations, and aids.
2. The allocation earmarked thereto in the Public Budget of the National Authority.

Article (12) The Public Procurement Commission

1. By a decision from the Council of Ministers, a public commission to be called the Public Procurement Commission shall be established. It shall enjoy an independent juridical personality and full legal eligibility to perform all activities and dispositions, which ensure achievement of the purposes for which it has been established. It shall have an independent financial liability and its own budget within the Public Budget of the National Authority.
2. The Commission shall report to the Council of Ministers and it shall be subject to the legislation applicable to all public institutions.
3. The head office of the Commission shall be in the city of Jerusalem, and it may open other branches in any other place as the case may be.
4. The Commission shall enjoy the exemptions and facilities granted to ministries and departments.

Article (13) Tasks of the Commission

The Commission shall exercise the following tasks and powers:

1. Apply the public procurement policies which are approved by the Council.
2. Implement the public procurement procedures according to the financial limits set forth under the Regulation as well as the procurement methods set forth under the Law.
3. Develop the annual procurement plan of the Commission, taking into account that it is inclusive of the procurement plans of various purchasing entities in accordance with the Law on the annual Public Budget, and incorporate the periodic amendments in to this Plan.
4. Provide the Council with the information pertaining to the contracts which it implements.
5. Take part in the Contractor Classification Committee, which is constituted in line with Article (31) of this Law, and keep relevant information.

6. Develop detailed and clear financial reports on the Commission's functions in tandem with financial and accounting principles, and submit them to the Council of Ministers and the Council.
7. Carry out the secretariat functions of the Central Tenders Committee in accordance with the provisions set forth by the Regulation.
8. Keep files of the public procurement processes.
9. Prepare necessary studies to develop the supplies administration, including:
 - a. Maintain the standard technical specifications of supplies of common and frequent use in accordance with the provisions set forth by the Regulation.
 - b. Determine the methods and techniques necessary to keep and maintain supplies in cooperation with the competent agencies.

Article (14) Chairman of the Commission

1. A dedicated chairman shall preside over the Commission, provided that he meets the following conditions:
 - a. To be of Palestinian nationality.
 - b. To hold at least the first university degree in administrative, financial, engineering or legal sciences.
 - c. To have scientific experience of not less than ten years in public policy administration and contract management.
 - d. To be of good conduct and not convicted with any crime or misdemeanour of moral turpitude or breach of trust.
2. The Chairman shall be appointed by a decision from the President of the National Authority based on a recommendation from the Council of Ministers for a term of four years renewable for one term only. The decision shall determine his functional grade. He shall be deemed to be the executive officer responsible for the management of the Commission's functions. He shall

be answerable for its functions before the Council of Ministers.

Article (15) Tasks and Powers of the Commission Chairman

1. The Chairman shall perform the following tasks:
 - a. Manage the Commission, supervise all of its employees, workers and departments, and issue forth the necessary instructions.
 - b. Refer the purchase orders submitted by beneficiaries to the competent Central Tenders Committees.
 - c. Prepare and submit the Commission's draft annual budget to the competent agencies in due form.
 - d. Develop a periodic report every three months and when necessary on the performance of the Commission and on all events and circumstances that affected or are expected to affect the Commission, and submit it to the Council and the Council of Ministers.
 - e. Develop the organisational structure of the Commission and submit it to the Council for approval and endorsement by the Council of Ministers.
 - f. Any other tasks assigned thereto by the Council or Council of Ministers.
2. The Chairman shall exercise the following powers:
 - a. Represent the Commission before third entities and before official agencies.
 - b. He shall be entitled to authorise in writing and for a limited period some of his tasks and powers to any employees of the higher category at the Commission in accordance with the work requirements.

Article (16) Cases of Vacancy of the Position of Commission Chairman

1. Services of the Commission Chairman shall expire by default in any of the following cases:

- a. Death.
 - b. Submission of resignation to the authority competent of appointment. The resignation shall be deemed to be effective as of the date of its acceptance. In the event a response is not provided within thirty days from the date of its submission, it shall be deemed implicitly rejected. The Chairman shall be committed to performing his tasks during this period and after it expires in the event a response is not provided.
 - c. Loss of legal capacity.
 - d. Medical disability.
 - e. Be convicted by a final judgement by a competent Palestinian court with a crime or misdemeanour of moral turpitude or breach of trust.
2. In case the position of the Chairman becomes vacant, the Council of Ministers shall delegate an employee of the higher category at the Commission until a new chairman is appointed to succeed him in accordance with the provisions of this Decree-Law, within a maximum period of ninety days from the date on which the position becomes vacant.

Article (17) The Responsibility for Implementing the Procurement

1. The procedures related to the procurement of supplies, works and services requested by the purchasing entity shall be implemented in accordance with the financial limits set forth under the Regulation, through:
 - a. The Public Procurement Commission.
 - b. A procurement department that is established at each purchasing entity.

Article (18) Tasks of the Purchasing entity

1. The purchasing entity shall comply with the procurement policies issued forth by the Council and approved by the Council of Ministers.
2. Through its competent administrative units, the purchasing entity shall perform the following tasks:

- a. Plan relevant procurement processes in accordance with the provisions set forth by the Regulation.
- b. Address the Commission for the purposes of completing the procurement procedures in the event the estimated budget of the financial limits set by the Regulation are exceeded.
- c. Develop bid documents for all procurement processes it needs.
- d. Evaluate tenders and award contracts to winning bidders in accordance with the limits set forth under the Regulation.
- e. Take part in the evaluation of the tenders issued by the Commission for its interest.
- f. Receive and maintain the performance bond guarantee and ensure its validity.
- g. Manage the implementation of relevant procurement contracts.
- h. Develop periodic reports on all procurement processes, which are implemented by the purchasing entity, and submit them to the Council.
- i. Evaluate the quality of the purchased supplies, works, or consultancy or non-consultancy services, and determine their compliance with the contract specifications and conditions.
- j. Keep files of the procurement processes in accordance with the provisions set forth under the Regulation.

Article (19) Central Tenders Committees and Procurement Committees

1. A Central Tenders Committee shall be established at the Commission. The Regulation shall set forth its formations, working mechanism, quorum of its meetings, and its decision making mechanism.
2. The Procurement Department at the purchasing entity shall establish procurement committees in accordance

with a decision issued by the competent Officer, provided that each committee is composed of the three members as a minimum. The Regulation shall set forth its compositions and working mechanism.

3. Decisions of the procurement committee shall be subject to approval of the competent Officer within fifteen days from the date of the Committee's decision. In the event this period expires, its decision shall be deemed implicitly approved.

Article (20) Financial Regulation and Control

1. The Commission shall adhere to implementing the provisions of the Financial Regulation in force at the National Authority.
2. The Commission and procurement committees shall be subject to control of the State Audit and Administrative Control Bureau.

Chapter III: Methods of Procurement of Supplies, Works, and Non-consultancy Services

Article (21) Methods of Public Procurement

1. Procurement of supplies, works and non-consultancy services shall take place in accordance with the financial limits or cases specified by the Regulation, by one of the following methods:
 - a. Public bid, which includes any of the following:
 - (1) (Local) bid.
 - (2) Two-phase bid.
 - (3) International bid.
 - b. Limited bid.
 - c. Request for quotations.
 - d. Direct purchase.
 - e. Direct execution.
2. Precedence in procurement shall be given to public bids.
3. The purchasing entity shall not partition general supplies, works, or services in

order to fraudulently avoid the financial limits set for the procurement methods, which are specified under the Regulation.

Article (22) Types of Contracts

The Regulation specifies the types of contracts in accordance with the public procurement methods provided for in this Decree-Law.

Article (23) Public Bid

1. Pursuant to the financial limits set forth under the Regulation, the purchasing entity or Commission shall announce public bids in two widely circulated daily newspapers over two consecutive days and on the webpage of the Council or purchasing entity, if existing.
2. The bidding procedures prescribed in Chapter IV of this Decree-Law shall be applicable to the public bid.

Article (24) Two-phase Bid

1. The purchasing entity shall be entitled to adopt the two-phase bidding method in any of the following contracts:
 - a. A turnkey contract.
 - b. Contract for establishment of large compounds.
 - c. Contract for works of special nature.
 - d. Complex information and communication technology contracts.
2. The Regulation shall set forth procedures of the two-phase bidding method.

Article (25) International Bid

1. The purchasing entity or Commission shall conduct the international bid in any of the following cases:
 - a. If the estimated cost of supplies, works or services exceed the financial limits set for the local bid in the Regulation.
 - b. In cases of procurements of a special or complex nature, as specified by the purchasing entity.
 - c. When supplies, works, and services are not available at competitive prices and in the required quality.

- d. If no tenders are submitted by local bidders after all procurement methods permitted by the Law have been exhausted.

2. The purchasing entity shall announce the international bid in Arabic and English in two widely circulated daily newspapers over two consecutive days and on the webpage of the Council or purchasing entity in accordance with the provisions set forth in the Regulation.

Article (26) Limited Bid

1. The purchasing entity or Commission shall be entitled to carry out limited bids in any of the following cases:
 - a. If the supplies, works, or services to be procured are available at a limited number of no more than ten bidders, and advertisement in newspapers is no longer feasible, provided that the purchasing entity compiles a list of the names of bidders.
 - b. In case of an exceptional circumstance justifying the non-application of the public bidding procedures.
2. The public bidding procedures shall be applicable to the limited bid, with the exception of advertisement in newspapers, whereby an invitation shall be addressed immediately to all bidders on the list mentioned under Paragraph (1) of this Article, in addition to the advertisement on the Council's website.
3. If a qualified bidder exists and he expresses his interest in participating in the list, the purchasing entity shall allow him to participate.

Article (27) Requests for Quotations

1. The purchasing entity or Commission shall be entitled to adopt the method of request for quotations to purchase a commodity of common use that is available in the local market or small works or services in accordance with the limits, conditions and standards set forth under the Regulation.
2. The purchasing entity shall request at least three quotations from qualified bidders by addressing a written invitation to them. The invitation shall include the following:

- a. The name and address of the purchasing entity.
 - b. Description and quantity of the commodities, services, or works to be procured.
 - c. Place of delivery or work site in the case of works.
 - d. Technical specifications.
 - e. Validity period of the quotation.
 - f. Method of submitting quotations as well as the place and deadline for submission.
 - g. Any other matters prescribed by the Regulation.
3. In case it is impossible to obtain three quotations, the purchasing entity shall be entitled to accept the best quotations.
 4. The lowest quotation which matches the specifications and conditions of the request for quotations shall be accepted.
 5. The Regulation shall set forth the procedures applicable to requests for quotations.

Article (28) Direct Purchase

1. Subject to the controls set forth under the Regulation, the purchasing entity or Commission shall be entitled to use the direct purchase method in any of the following cases:
 - a. If the required technical quality is only available at one bidder, provided that the specifications determined by the purchasing entity are not set so as to apply to such bidder.
 - b. If the procurements required are spare parts, complementary parts services, or extended works that are only available at the original supplier.
 - c. If the subject matter of public procurement pertains to necessary additional public works, supplies or services which are not included in the original contract, but the separation of which from the original contract is not possible for technical or economic reasons.

- d. In cases of utmost necessity and natural disasters.

2. The purchasing entity or Commission shall send a written letter, including a description of its requirements, as well as any special conditions pertaining to the quality, quantity, cost, and place and conditions of delivery. It shall negotiate with the bidder with a view to receiving the best price.
3. Procurement shall take place in accordance with a written contract or through a written purchase order.

Article (29) Direct Execution

1. The Council of Ministers shall be entitled to assign the Ministry of Public Works and Housing to implement any works for the benefit of any purchasing entity, if the Ministry's technical and mechanical capacities so allow in accordance with the provisions set forth by the Regulation.
2. The direct execution method shall be used subject to the following conditions:
 - a. If the volume of the required work cannot be determined in advance.
 - b. If the works are small and miscellaneous or in remote areas, and it is not expected that qualified contracting companies will submit tenders at reasonable prices.
 - c. If it is better that the purchasing entity sustains the unavoidable work interruption risks, rather than the contractor.
 - d. In emergency cases that cannot be delayed.

Chapter IV: Procedures of Procurement of Supplies, Works, and Non-consultancy Services

Article (30) Form of Correspondence

1. All documents, instruments, notices, decisions and other forms of correspondence referred to under this Law shall be written.
2. Electronic correspondence shall be approved by a decision from the Council.

Article (31) Classification of Contractors

1. The Council of Ministers shall establish a contractor classification committee across the types of works. It shall be chaired by a representative of the Ministry of Public Works and Housing with membership of representatives of relevant agencies. The committee shall be responsible for classifying contractors in accordance with the categories and grades of classification provided for in the Regulation and Instructions on the Classification of Contractors.
2. Classification of contractors shall be deemed to be a condition for awarding contracts in local bids.

Article (32) Qualification of Bidders

1. When the contract is awarded, the bidder must be qualified and must have satisfied the conditions and criteria set forth by the purchasing entity in the bid documents.
2. The purchasing entity shall call for pre-qualification in order to identify qualified bidders, before an invitation to the bid is made, in the event the value of supplies, services, or public works is high or of a special technical nature. Bidders shall be notified of the result of the qualification.
3. The purchasing entity and Commission shall perform post-qualification procedures, based upon the criteria set forth in the bid documents.
4. Notwithstanding the provisions of Article (31), the purchasing entity and Commission may perform pre-qualification in conformity with Paragraph (2) or post-qualification in conformity with Paragraph (3) of this Article.
5. The purchasing entity may exclude any applicant for pre-qualification or any bidder in any of the following cases:
 - a. If he submits false information or misrepresentations on his qualifications.
 - b. If he does not complete the required necessary data if such date is requested from him later.

6. The Regulation shall set forth the pre-qualification and post-qualification procedures.

Article (33) Invitation to Bid

The invitation to bid shall include the following information:

1. The name and address of the purchasing entity.
2. The nature, specifications and place of the supplies, works, or services to be procured.
3. A statement of the required guarantees to bid or the declaration of performance.
4. Validity period of the bid.
5. Price of the bid documents.
6. The method, place, and deadline for the submission of tenders.
7. The place and time of bid opening.
8. Any other matters provided for in the Regulation.

Article (34) Bid Documents

1. The purchasing entity shall provide the bid documents to each bidder who replies to the invitation to the bid, using the standard bid documents or pre-qualification in the event qualification is conducted.
2. The advertisement shall not be deemed to be part of the bid documents.
3. The prices of the bid documents shall be fixed in line with their cost.
4. The bid documents shall include the following:
 - a. The invitation addressed to bidders.
 - b. Instructions to bidders on the preparation and submission of tenders.
 - c. Evaluation and qualification criteria.
 - d. Type and general and special conditions of the contract.
 - e. Technical specifications.
 - f. Plans.

- g. Statement of supplies, public works, or services, which can be partitioned or aggregated.
- h. Correspondence and annex.
- i. Any other matters provided for in the Regulation and instructions issued forth in accordance with the provisions of this Decree-Law.

Article (35) Request for Clarification and Modification

1. The bidder shall have the right to request any clarifications regarding the bid documents prior to the date specified for receiving and opening envelopes within the period of time set in the bid documents.
2. Subject to the period of time specified in the bid documents, the purchasing entity shall respond in writing to the requests for clarifications submitted by bidders to enable them to comply with the response when they prepare the bids or applications for qualification, which they will submit.
3. The purchasing entity shall send the response to any clarifications or modifications in the bid documents to all bidders participating in the procurement process.
4. After the bid is advertised, the purchasing entity may make any modifications it deems necessary in the bid documents or pre-qualification, and then it must extend the deadline specified for delivering and opening envelopes in line with the period of time set in the bid documents.
5. The purchasing entity shall be entitled to extend the deadline specified for submitting tenders to allow bidders to take any modifications into consideration.

Article (36) Submission of the Tender

1. Submitted tenders must be written and duly signed, in closed sealed envelopes and sent to the addressed specified by the purchasing entity or the Commission prior to the deadline set in the bid documents.
2. Bidders may submit tenders and requests for qualification by hand or via regular

or registered mail. The purchasing entity may specify in the bid documents other forms to submit tenders or request for qualification as indicated in the Regulation.

3. Any bidder may bid with one tender only either independently or jointly with local or international entities, or both.
4. Any bidder who wishes to withdraw, modify, or replace his tender must do so prior to expiration of the deadline set for the submission of tenders.
5. If the bidder submits a request to withdraw, modify, or replace his tender after the deadline set for the submission of tenders expires, the bid bond guarantee shall be confiscated or the procedures stated under the Declaration of Performance shall be implemented.
6. Each tender that is submitted following expiration of the deadline set for the submission of tenders shall be returned without opening it.

Article (37) Opening Tender Envelopes

1. The envelopes shall be deposited in the box designated for such purpose at the purchasing entity or the Commission.
2. The Regulation shall set forth the procedures for opening envelopes.
3. Tender envelopes shall be opened immediately following expiration of the deadline set for receiving envelopes, in the same place specified in the bid documents, in the presence of those bidders or their representatives who wish to be present. The bidder's name, total prices of each quotation, any discounts, or alternatives offered, and any other matters required by the Regulation shall be read out.
4. Minutes shall be drawn up for the envelope opening session. It shall be signed by all present members on the Tender Opening Committee.
5. No decision may be made in regard of the exclusion or rejection of any tender in such session.

Article (38) Examination, Evaluation and Comparison of Tenders

1. The Tender Evaluation Committee shall be formed by a decision from the competent Officer or Commission Chairman based on the recommendation of the competent Tender Committee.
2. The Evaluation Committee shall examine tenders with a view to determining the following:
 - a. Whether such tenders are complete in accordance with the instructions set forth in the tender documents.
 - b. Whether they are duly signed.
 - c. Whether the required documents to determine the legal capacity and necessary guarantees have been submitted.
 - d. Whether the tenders substantially meet the specifications and contract conditions set forth in the bid documents.
3. The Evaluation Committee shall comply with keeping confidential the evaluation process, starting with the opening of envelopes until the announcement of the successful bidder.
4. No bidder may make any contacts with the Evaluation Committee or attempt to influence its examination and evaluation of the tenders.
5. For the purposes of completing the evaluation process, the Evaluation Committee may request in writing from any bidders written clarifications during the examination process. However, it may not request from any bidder to change his price or content of his tender.
6. The tender shall be excluded in any of the following cases:
 - a. If the application is incomplete, not duly signed or not attached with a bid bond guarantee or Declaration of Performance in the wording or value provided for.
 - b. If it does not substantially meet the technical specifications and contract conditions or other significant requirements indicated in the bid documents.
7. The Evaluation Committee, in the event a calculation error exists in the tender, shall correct it in conformity with the instructions to bidders. The bidder shall be thus informed. In case he rejects the correction, the Tender Committee shall be entitled to decide to confiscate the amount of his guarantee or apply the procedures indicated in the declaration of performance.
8. Tenders shall be evaluated in accordance with the criteria indicated in the bid documents. Tenders shall be compared for the purposes of identifying the lowest-priced tenders, compliance with the specifications, and the substantial fulfilment of the bid conditions.
9. The purchasing entity or the Commission may reject the tender if its price is much less than the estimated cost, and the bidder does not present a reasonable justification for his low price in accordance with the standards and percentages set forth by the Regulation.
10. The Evaluation Committee shall perform the following in the bids that do not require pre-qualification:
 - a. Examine the qualifications of the bidder who submitted the lowest cost tender in accordance with the criteria indicated in the bid documents only.
 - b. If the qualifications of the bidder who submitted the lowest cost tender do not meet the criteria indicated in the bid documents, the Committee shall apply the same examination procedures to the next lowest tender.
11. In the bid in which a pre-qualification is conducted, the Evaluation Committee shall ensure that the qualifications of the bidder who submitted the lowest cost tender are still standing.

12. The Evaluation Committee shall develop a detailed report on the tender evaluation process and identify the lowest cost tender that meets the qualification criteria. It shall submit its report to the Tender Committee to complete the procedures.

Article (39) Rejection of All Tenders and Cancellation of Bidding

1. The purchasing entity or the Commission shall be entitled to cancel the bid at any time before the contract is awarded.
2. Before the contract is awarded, the purchasing entity or the Commission shall be entitled to reject all tenders and notify the bidders of the rejection, in any of the following cases:
 - a. If all the tenders do not meet the conditions.
 - b. If the lowest cost tender is much higher than the estimated cost after it is validated in accordance with the provisions set forth under the Regulation.
 - c. If it appears that complicity has taken place between bidders.
3. Submission of only one tender for the bid shall not be deemed a sufficient justification to cancel it, if it substantially meets the specifications and the price is appropriate.
4. If all tenders are rejected or the bid cancelled, the purchasing entity shall be entitled, after having re-examined and modified the specifications, tender conditions and advertisement are, to take any of the following procedures:
 - a. Re-invite the bid under new specifications and conditions, after having examined the reasons that necessitated the rejection or cancellation.
 - b. Re-invite the bid under the same specifications and contract conditions.

Article (40) Awarding and Signing the Contract

1. The purchasing entity or the Commission, before the expiration of the tender

validity period, shall notify all bidders in writing of the preliminary decision on the award to the bidder who submitted the lowest cost tender and who meets qualification criteria, specifications, and technical conditions indicated in the bid documents.

2. If a bidder does not contest the decision within five working days from the date of notification, the award shall become final following the approval thereof by the competent Officer or Commission Chairman.
3. The successful bidder shall submit the performance bond guarantee if it is required in the bid documents and sign the contract within the period designated in the bid documents, in accordance with the provisions set forth under the Regulation.
4. If the bidder does not submit the performance bond guarantee and sign the contract according to the previous Paragraph, the matter shall be referred to the competent Tender Committee to select the next valid tender.
5. Procurement contracts shall be signed by the competent Officer.

Article (41) Inquiry about the Award

The purchasing entity or the Commission shall provide any bidder with an immediate explanation if he requests an explanation of why his tender was not chosen, either in writing or in a meeting to state the reasons. The requesting bidder shall incur all costs of attending the meeting set for stating the reasons.

Article (42) The Bid Bond Guarantee or Declaration of Performance

1. The purchasing entity shall specify in the bid documents the requirements pertaining to the bid bond guarantee or declaration of performance.
2. The purchasing entity or the Commission shall refund the bid bond guarantee or declaration of performance to the bidders after the successful bidder submits the performance bond guarantee and signs the contract.

3. The purchasing entity or the Commission shall make the decision on the confiscation of the bid bond guarantee or take the sanction procedures indicated in the Declaration of Performance, in any of the following cases:
 - a. The tender is modified or withdrawn after the deadline set for submission of tenders.
 - b. The bidder refuses that the Committee corrects the calculation errors in his tender.
 - c. The successful bidder does not sign the contract within the period designated by the purchasing entity.
 - d. The successful bidder fails to submit the performance bond guarantee during the allotted time.

Chapter V: Consultancy Services

Article (43) Methods of Procurement of Consultancy Services

1. The processes of procurement of consultancy services shall take place by one of the following methods:
 - a. Competitive methods.
 - b. Direct selections.
2. In accordance with the provisions set forth under the Regulation, the entity purchasing the consultancy services shall develop the following:
 - a. Terms of Reference.
 - b. The estimated cost and budget resulting from the evaluation by the purchasing entity of the required sources to deliver the service, including the consultant fees and reimbursed expenses.
 - c. Any other matters specified by the Regulation.

Article (44) Competitive Methods

The purchasing entity may choose one of the following competitive methods in the purchase of consultancy services in accordance with the provisions set forth by the Regulation:

1. Selection on the basis of quality and cost.
2. Selection on the basis of quality within the fixed budget.
3. Selection on the basis of the lower cost.
4. Selection on the basis of quality only.

Article (45) Classification of Consultants

1. The purchasing entity or the Commission shall adopt lists of consultants in various areas with a view to inviting them to express interest in providing consultancy services of small scale or of a recurrent nature.
2. The classification of the Engineers Syndicate shall be adopted, if any, in relation to consultancies of an engineering nature, which are locally invited. Consultants shall be invited to express interest in order to be shortlisted.

Article (46) Expression of Interest and Shortlists

1. In accordance with the financial limits specified in the Regulation, the purchasing entity shall invite consultants to express their interest, by publishing an advertisement in this regard in two widely circulated daily newspapers over two consecutive days, provided that it develops a shortlist of the qualified consultants in accordance with the criteria set by the purchasing entity.
2. The purchasing entity shall compile a shortlist of six qualified consultants.
3. If the required number of qualified consultants is not available as per the provisions of Paragraph (2) of this Article, the purchasing entity may compile the shortlist with a fewer number in accordance with the controls set forth under the Regulation.

Article (47) Application for Submission of Proposals

The purchasing entity shall address the invitation to submit proposals to all shortlisted consultants, provided that such invitation includes the following:

1. The name and address of the purchasing entity.

2. The nature, site, and time of required services.
3. The terms of reference and required tasks.
4. The instructions on the preparation and submission of quotations as well as the place and deadline for their submission.
5. The approved criteria of technical and financial evaluation.
6. Wording and conditions of the proposed contract, and the time expected to commence provision of consultancy services.
7. Any other matters provided for in the Regulation.

Article (48) Establishment of the Evaluation Committee

The purchasing entity or the Commission shall establish a committee to evaluate the consultancy services, including the technical experts. The Regulation shall determine their number, conditions of their appointment, and mechanism of their work.

Article (49) Technical Evaluation of Proposals

1. The Consultancy Service Evaluation Committee shall evaluate proposals from a technical perspective in accordance with the criteria specified in the request for proposals, provided that they include the following:
 - a. The consultant's experience in the field of the required service.
 - b. The quality of proposed methodology and action plan, as well as a comparison of their consistency with the terms of reference.
 - c. Qualifications of proposed key team members.
 - d. Potential transfer of knowledge and training, if such is required.
 - e. The percentage of local persons among the key team members who will implement the task in case of international competition.

2. The final score of the proposal shall be determined by weighing the scores of technical quality and cost in line with the selection criteria. Weights shall be determined from a technical perspective based on difficulty of the task and technicality as well as in pursuance of provisions set forth under the Regulation.

Article (50) Financial Evaluation of Proposals

1. The purchasing entity or Central Tenders Committees shall not open or evaluate financial proposals except after technical evaluation is complete.
2. The purchasing entity or Central Tenders Committees shall evaluate the financial proposals of those who have passed the technical evaluation as follows:
 - a. If the selection is based on quality and cost, the financial proposals of all consultants whose technical proposals have attained the minimum success rate as set in the request for proposals shall be opened in the presence of the technically successful consultants if they wish to attend.
 - b. If the selection is based on quality within the fixed budget, the following procedures shall be implemented:
 - (1) Financial proposals of all consultants whose technical proposals have attained the minimum success rate shall be opened in the presence of those who wish to be present.
 - (2) The proposal that exceeds the fixed budget shall be rejected and the consultant with the highest score shall be selected.
 - c. If the selection is based on the least cost, financial proposals of all consultants whose technical proposals have attained the minimum success rate as set in the request for proposals shall be opened in the presence of those who wish to be present.
 - d. If the selection is based on quality only, only the financial proposal submitted by the consultant who has

obtained the highest technical scores shall be opened.

Article (51) Negotiation with the Successful Consultant and Signing of the Contract

1. The purchasing entity shall invite the successful consultant and negotiate with him about the required services, method of performance, delivery schedules, work progress reports, and facilities which the purchasing entity shall provide.
2. The purchasing entity shall be entitled to amend the terms of reference based on the negotiation, in accordance with the provisions of Paragraph (1) of this Article, provided that the amendment does not include a substantial change to the terms of reference and field of required services.
3. If the selection is based on quality, the financial matters shall be subject to negotiation.
4. Subject to the previous Paragraph, in the event any other selection technique is used, the fees of individual consultants shall not be subject to negotiation.
5. In the event it does not reach an agreement with the consultant after negotiation with him, the purchasing entity shall be entitled to negotiate with the next consultant in order.
6. Following the signing of the contract, the purchasing entity shall notify the unsuccessful participating consultants.
7. The consultant who wishes to inquire about his non-selection may submit a written request to the purchasing entity to clarify the reasons. The purchasing entity shall reply to him within five days from the date on which the request was submitted.

Article (52) Announcement of Signing the Contract

The purchasing entity and the Council shall announce the signing of the contract on the bulletin board and on the website within a period that does not exceed one week from the date of contract signing. The announcement shall include the winner's name and amount of the contract.

Article (53) Direct Selection of Companies

1. The purchasing entity shall be entitled to use the direct selection technique in regard of any consultancy service companies in any of the following cases:
 - a. If the required services are a natural continuation of previous services that the company had implemented as set forth under the Regulation.
 - b. If the delivery of the services is part of a contingency situation or if consultancy services were required during the period that immediately follows the contingency situation.
 - c. If the required tasks are of a very small scale in accordance with the provisions set forth under the Regulation.
 - d. When there is only one qualified company that has an experience of an exceptional value for the task.
2. The Commission shall examine the justification of direct selection, taking into account the purchasing entity's interest, ensuring its responsibility for maintaining cost-efficiency, and providing equal opportunities to all qualified consultants.

Article (54) Selection of Individual Consultants

1. Subject to the provisions of the Regulation, the purchasing entity may purchase consultancy services from an individual consultant in tandem with his qualifications in any of the following cases:
 - a. If the task does not need a number of consultants.
 - b. If the task does not need additional professional support from a consultancy company.
 - c. If the consultant's experience and qualifications are the most important criteria in the selection.
2. The consultant shall be selected by comparing the qualifications of at least three candidates who have expressed their interest in the mission or who have been addressed directly and met the minimum proper qualifications set by the purchasing entity.

3. The purchasing entity shall be entitled to select the individual consultant directly in any of the following exceptional cases:
 - a. If the required services represent a continuation of previous services implemented by the consultant, and the consultant for the previous services was selected on a competitive basis.
 - b. If the period expected to implement the tasks is less than six months.
 - c. If the tasks are a result of emergency cases that arise from natural disasters.
 - d. If the individual consultant is the only qualified individual for the task.
 - e. If the services are of a small value in accordance with the provisions set forth under the Regulation.
6. Law and Regulation in the event the complaint appears to be valid.
 - b. Refuse the complaint in the event it appears that the purchasing entity has not committed any violation, and resume the procurement procedures.
 - c. The aggrieved person shall be entitled to lodge a grievance to the Unit in any of the following cases:
 - (1) His refusal of the decision issued by the purchasing entity on the complaint.
 - (2) The purchasing entity has not made the decision during the deadline set in accordance with Paragraph (2) of this Article.
6. The Regulation shall identify the cases in which a complaint may be lodged to the purchasing entity.

Chapter VI: Complaints and their Reviews

Article (55) Filing Complaints

1. The bidder shall be entitled to file a written complaint to the purchasing entity in the event he incurs or is likely to incur losses or damages as a result of its non-satisfaction of its obligations, within seven days from the date on which he becomes or is expected to become aware of the circumstances that led to filing the complaint.
2. The purchasing entity shall examine the complaint within seven days from the date of receipt thereof.
3. It shall be a condition precedent that the complaint must be justified. In particular, it shall define the act of omission or which is alleged to be in contravention of the Law or regulations in force.
4. The purchasing entity shall cease the procurement procedures as soon as it receives the complaint.
5. Following examination of the complaint, the purchasing entity shall implement any of the following procedures:
 - a. Cancel the procedures and decisions that violate the provisions of the

Article (56) Cases where a Complaint shall not be Admitted

1. The complaint filed after the expiration of the deadline set forth under the Law shall not be admitted.
2. The complaint shall not be admitted if its subject matter pertains to any of the following:
 - a. Selection of the method of procurement of supplies, public works, and consultancy services.
 - b. Lack of inclusion of the applicant in the short list.
 - c. Rejection of all applications for pre-qualification, tenders, quotations, or technical proposals.
 - d. If the tender award decision was made based upon the approval of the Council of Ministers' Committee.

Article (57) Establishment of the Dispute Review Unit

1. The Council shall establish a unit for to review the disputes, consisting of a variety of review committees, including subject matter experts in accordance with the provisions set forth under the Regulation.

2. The office of the Unit shall be in the Council, which performs the secretarial functions of the Unit.
3. The Unit shall be competent for examining all grievances submitted in pursuance of the provisions of the Law.
4. The Regulation shall identify the cases in which a grievance is filed to the Unit, the filing procedures, and the decision making mechanism therein.

Article (58) Judicial Objections

All of the decisions issued by the purchasing entity and the Council shall be subject to objection through judicial procedures in accordance with the provisions of the Law.

Chapter VII: Implementation of the Contract

Article (59) Management of the Contract

For the purposes of ensuring compliance with the prescribed time, cost, and quality, contracts shall be managed in accordance with the principles set forth under the Regulation.

Article (60) Amendment of the Contract

1. The purchasing entity shall be entitled to amend the contract, provided that such does not cause a change of the objective, nature, or field of the contract.
2. The contract shall be amended in writing upon the consent of the two entities in accordance with the previous Paragraph under this Article.
3. The purchasing entity shall be entitled to issue orders to change clauses of the contract, which shall be binding upon both entities.
4. In the event the amendment requires increasing the contract amount by a percentage that increases its amount over the percentage allowed by the Regulation, a method of procurement shall be adopted in accordance with the provisions of this Law, provided that the financial allocation is available.

Article (61) Keeping Procurement Records

The Commission, purchasing entity, and Council must keep the records and documents pertaining to the procurement activities for a period that is not less than 5 years, for the purposes of audit and review in line with the laws and regulations in force.

Article (62) Subsequent Audit

Subsequent audit of bids and procurement processes shall be conducted. These shall be reviewed in accordance with the principles set forth under the Regulation to be issued forth in this regard.

Chapter VIII: Behavioural Principles

Article (63) Staff Behaviour

1. The competent Officer, Commission Chairman, all Commission staff and public sector employees, who participate in the development, planning and implementation of the public procurement process and in the management of procurement contracts, must abide by the following:
 - a. Perform their duties with complete integrity to ensure a fair competitive participation for all bidders in the public procurement processes.
 - b. Act in line with the public interest and in accordance with the objectives and procedures set forth under the Law and regulations promulgated in pursuance of it.
 - c. Avoid conflict of interests when they perform their duties and in their personal behaviour.
2. The competent Officer, Commission Chairman, all Commission staff and public sector employees, who participate in the development, planning and implementation of the public procurement process and in the management of procurement contracts, shall be prohibited from performing the following:
 - a. Misuse any information they obtain by virtue of their positions, or misuse the same to achieve material or

immaterial gains for their own interest or for the interest of a third party, either directly or indirectly.

- b. Disclose any information or data they obtain as a result of performing their functions, to any person who is unauthorized under whom the Law to access such information and data.
- c. Audit accounts or offer legal or administrative consultancies to any person who applies for the bid.

Article (64) The Behaviour of Bidders

1. The bidder must adhere to the following:
 - a. Meet the obligations imposed on him under this Law and the regulations issued forth in accordance with it.
 - b. Avoid conflict of interests when he performs his duties.
 - c. Not to conspire, collude or exercise any form of corruption, deception, fraud, or instigation, including the grant or offer of temptations either directly or indirectly with a view to influencing the procurement process or the execution of the contract.
 - d. Not to conspire or collude, before or after submission of the tender, with the aim to distribute procurement contracts between bidders or set the prices of tenders in an uncompetitive manner or otherwise with a view to depriving the purchasing entity from the benefits of open, public competition.
2. The purchasing entity must reject any tender if it is proven that the bidder has violated any of the provisions stated under this Article. The purchasing entity must notify the Council and other relevant law enforcement bodies.
3. Without prejudice to any penalty prescribed by other laws in force, the bidder who violates any of the provisions of this Article shall be subject to legal accountability under this Law.
4. In addition to any other penalty, the bidder who violates the provisions of this Article shall be placed on the black

list for the period determined by the Commission.

Article (65) The Duty of Reporting

1. The Commission employees, contractors therewith and all public employees who are assigned to implement the provisions of this Law must report to the competent Officer, Chairman, Commission or State Audit and Administrative Control Bureau, any violation of the provisions of this Law immediately and within one week from the date of its discovery.
2. The Commission shall provide the necessary protection to the reporter and not to impose any penal measures against him in the event he reports any violation that takes place in his function.

Chapter IX: Management and Keeping of Supplies

Article (66) Responsibility for the Supplies

1. The competent Officer at the purchasing entity shall supervise and control the supplies of his department and take the necessary procedures and arrangements to keep and organise them in accordance with the provisions of the Regulation.
2. A department shall be established at the purchasing entity to be in charge of organising, keeping, and using the supplies for the purposes designated thereto in accordance with the provisions of this Law.
3. The purchasing entity must compile and submit to the Commission periodic reports on entry of supplies and on transportation and stock-taking of goods available in warehouses.

Article (67) Supervision and Control of Warehouses

1. The purchasing entity shall ensure the supervision and general control of warehouses and respective accounts under the penalty of financial liability for any loss caused due to its negligence or omission in assuming its responsibilities.
2. Warehouse keepers shall be subject to legal and financial accountability for

General Supplies held in their custody in case of any loss therein as a result of their negligence or omission.

Article (68) Entry and Inventory of Supplies

The purchasing entity must perform the following:

1. Ensure that supplies are entered, included, and registered on duly prepared entry vouchers enclosed with the receipt vouchers, invoices, or bills of lading. The supplier shall be given a copy of the entry voucher. Such voucher shall be deemed to be an acknowledgement to him of the acceptance or rejection of the supplies.
2. Keep an asset inventory system in accordance with the procedures provided for under the Regulation or Instructions, in addition to updating records of all assets and public properties, including long-term commodities.
3. Carry out the annual inventory of supplies at the Departments or whenever the department finds it necessary, and develop detailed reports in this regard.
4. Keep entries of durable supplies.

Article (69) Storage

1. Central warehouses shall be established at the Commission for storage of the following supplies:
 - a. General Supplies which all Departments need.
 - b. Valid durable supplies in excess of the department needs.
 - c. Materials necessary to cope with cases of emergency.
2. The supplies which are admitted to warehouses shall be entered under an entry voucher that is drawn up in accordance with the provisions of the Regulation.
3. Any supplies shall be discharged from warehouses under a discharge voucher that is drawn up in accordance with the provisions of the Regulation.
4. Warehouse keepers shall take stock of the supplies and prepare periodic reports on

the supplies, which are entered onto or discharged from the warehouses.

5. Warehouse keepers shall maintain the supplies and take the security measures necessary therefor.
6. Warehouse keepers shall use the records and forms that are consistent with the nature of warehouses and comply with the regulations and instructions issued forth in accordance with the provisions of this Law.

Article (70) Excess Supplies

1. If the competent Officer decides, based on the recommendation of a technical committee, that any valid supplies at the department have been excessive and no longer necessary for work, they shall be transported from the department stores to the central warehouse.
2. The Commission shall inform all purchasing entities of the availability of such supplies in order to decide whether they wish to benefit from them in line with their needs.
3. The Chairman, based on the recommendation of the Supplies Department, shall be entitled to establish a tripartite committee to be in charge of selling excess supplies that are not necessary for work after all possible means to benefit from them by the purchasing entities have been exhausted. Such shall be as follows:
 - a. Sale of the movable properties as per the equivalent price, or by means of a public auction or sealed envelope, whichever is better in accordance with the provisions of the Regulation.
 - b. Lease of the movable properties as per the equivalent price.
4. The products of vocational schools and training centres, research, and products of any production department shall be sold in accordance with the provisions of the Regulation.
5. The Chairman shall be entitled to offer excessive and unnecessary supplies that are available in central warehouses to non-profit civil society organisations at

the price determined by a committee established for this purpose.

6. Sold supplies shall be handed over to the purchaser after their price is paid according to a discharge voucher drawn up in due form, and on which the number, date and amount of receipt voucher is indicated.
7. Supplies offered for sale shall be advertised in local newspapers and by any other appropriate means.

Article (71) Invalid Supplies

1. If the competent Officer decides, based on the recommendation of a technical committee, that any supplies at the department have been invalid, they shall be sold in accordance with the following procedures:
 - a. A tripartite committee, including employees of the department, shall be established upon a decision from the competent Officer.
 - b. Invalid supplies shall be sold by means of a public or secret auction. The tripartite committee shall be entitled to set forth the necessary conditions for the process of sale. A copy of the decision on sale shall be sent to the Department of General Supplies.
2. The supplies offered for sale shall be advertised in local newspapers and by any appropriate means.

Article (72) Disposal

1. The competent Officer may decide, based on the recommendation of a specialised technical committee, to dispose of the movable properties, which are excessive, invalid for use or whose sale expenses exceed the price which can be obtained from their sale in accordance with the provisions of the Regulation.
2. Disposal shall be entered on a disposal certificate to be enclosed with the discharge voucher and the decision on disposal.

Chapter X: Penalties and Conclusive Provisions

Article (73) Penalties

Without prejudice to any severer penalty prescribed under other effective laws, each person who contravenes the provisions of this Law shall be penalised by the following:

1. Each public employee who is proven to have violated the provisions of Article (63) of this Decree-Law shall be penalised by an immediate dismissal from his function and deprivation of his functional rights resulting therefrom.
2. Each bidder who is proven to have violated the provisions of Article (32) and (64) of this Decree-Law shall be deprived from participation in the procurement processes for the period which the Council specifies, provided that:
 - a. He is notified in writing of the deprivation and the clear reasons which necessitated that the decision be taken.
 - b. He is given a period of ten days to object to the notice.
3. If the bidder is a company, the provisions of the previous Paragraph under this Article shall be applicable to all Board members of the company.
4. The contract, which is signed with the supplier, contractor, or consultant, shall be revoked upon a decision from the purchasing entity. It shall seize the amount of insurance and preserve its right to claim compensation in any of the following cases:
 - a. If the bidder uses fraud or manipulation in his transaction with the purchasing entity.
 - b. If it is proven that the bidder has attempted himself or through a third party either directly or indirectly to bribe an employee of the agencies that are subject to the provisions of the Law.
 - c. If the bidder has become bankrupt or insolvent in a manner that renders him incapable of executing the tender.

Article (74) Non- Prescription of Offences

The penalties prescribed under Article (73) of this Law shall not be subject to prescription.

Article (75) Transitional Provisions

1. All the staff and employees at the Directorate General of General Supplies and Directorate General of Central Tenders shall be transferred to the staff of the Commission. Their services, job titles, and job grades shall be deemed to be a continuation of their previous services.
2. Subject to the provisions of this Law, the provisions of the Law No. 6 of 1999 on Tenders for Government Works and Law No. 9 of 1998 on General Supplies shall continue to be in force until the Regulation on Public Procurement is promulgated.

Article (76) Repealing

All that contradicts the provisions of this Decree-Law shall be repealed.

Article (77) Regulations

1. The Council of Ministers shall issue forth the regulations necessary for the enforcement of the provisions of this Decree-Law upon a recommendation from the Council.
2. The Council of Ministers shall issue forth a special regulation on the incentives for functionaries in the field of public procurement.

Article (78) Submission to the Legislative Council

This Decree-Law shall be submitted to the Legislative Council in the first session held for approval.

Article (79) Execution and Entry into Force

All the competent authorities, each one within the scope of its competences, shall execute the provisions of this Decree-Law, which shall enter into force thirty days from the date of its publishing in the Official Gazette.

Promulgated in the city of Ramallah on December 7th, 2011 *Anno Domini*,

corresponding to Muharram 11th, 1433 *Anno Hegira*.

Mahmoud Abbas

President of the State of Palestine

Chairman of the Executive Committee of the Palestine Liberation Organisation

President of the Palestinian National Authority

Decree-Law No. 6 of 2012 on the Public Budget of the financial year 2012

The President of the State of Palestine,

The Chairman of the Executive Committee of the Palestine Liberation Organisation,

The President of the Palestinian National Authority,

Pursuant to the provisions of the Basic Law of 2003 and its amendments, particularly Article (43) thereof;

Having reviewed the Law No. 7 of 1998 on the Regulation of the Public Budget and Financial Affairs; and

The Decree-Law No. 3 of 2008 on the Amendment of the Law on the Regulation of the Public Budget and Financial Affairs No. 7 of 1998;

Based upon the recommendation of the Council of Ministers of March 26th, 2012,

Based upon the powers bestowed upon us;

In pursuit of the public interest;

In the name of the Arab Palestinian people,

We have hereby promulgated the following Decree-Law:

Article (1)

The revenues and expenditures of the Authority for the twelve months expiring on 31/12/2012 are estimated by the following:

1. Net general revenues and financing sources	13,444	ILS million
a. Net revenues	8,493	ILS million
Total revenues	8,947	ILS million

Tax refunds	(454)	ILS million
b. Grants and subsidies to support the Public Budget	3,811	ILS million
c. Estimated grants to finance development expenditures	1,140	ILS million
2. General expenditures and net lending	13,444	ILS million
a. Recurrent expenditures and net lending	12,114	ILS million
b. Development expenditures	1,230	ILS million

Article (2)

External subsidies under this Decree-Law are estimated at ILS 4,951 million.

Article (3)

Estimated grants shall be allocated to finance development expenditures described under Article 1(1)(c), which amounts to ILS 1,140 million, to cover development expenditures estimated under Article 1(2)(b). Expenditure may only be to the extent realised therefrom.

Article (4)

1. Borrowing from the Insurance and Pensions Fund or from the Palestine Monetary Authority may not be resorted to in order to finance execution of the Public Budget.

2. No responsibility centre, whose budget is stated under this Decree-Law, may borrow or overdraw from any local bank or financial institution.

Article (5)

1. Borrowing from the banking sector in the year 2012 shall not be permitted except for bridging purposes, provided that the outstanding debt balance at 31/12/2012 does not exceed the balance at 31/12/2011.
2. The Council of Ministers shall authorise, and for one time, the Minister of Finance to conclude loan agreements with local banks in consistence with Paragraph (1) under this Article.

Article (6)

All revenues, subsidies, grants, and other financing sources shall be channelled to the Consolidated Public Treasury Account.

Article (7)

Spending from the recurrent allocations earmarked under the Decree-Law shall be based on public and private financial orders issued by the Minister of Finance, based on a joint recommendation from the Director General of the Public Budget and the Accountant General in accordance with the Monetary Plan developed by them.

Article (8)

Arrears shall be disbursed from excessive finances and revenues.

Article (9)

1. If any function whose appropriations are stated under the chapter of a ministry, an entity within a ministry or another entity is assigned, the authority of expenditure from the appropriations indicated in the financial orders issued by the Minister of Finance shall be transferred to the officer in charge of expenditure at the executing ministry or entity upon approval of the Minister of Finance, based on the recommendation of the Director General of the Public Budget and under a new financial order.

2. Not expenditure without appropriations under this Decree-Law may be effectuated.
3. Appropriations indicated in orders may not be used for purposes other than their designated use. Appropriations indicated in the financial orders issued under this Decree-Law may not be surpassed.
4. No amount may not be disbursed from the appropriations earmarked for a responsibility centre except with the signature of the officer authorised of expenditure, or the person whom he authorises in writing from among the employees of the higher category, provided that the Ministry of Finance is thus informed in writing.
5. Trust accounts may not be opened from the appropriations earmarked under the Decree-Law, except upon the approval of the Minister of Finance.
6. No bank account may be opened for any responsibility centre except with a written permission from the Minister of Finance.
7. The salary of any new employee may not be disbursed on the account of the appropriations of any responsibility centre except after designation of the financial appropriation thereto by the Minister of Finance, and signing of the decision on his appointment by the competent Minister. The employee shall be thus notified in writing by the General Personnel Council.
8. If any adjustments of the line items of the budget approved for the Financial Year or addition of new line items which result in additional appropriation are necessary, a Decree-Law must be promulgated as an annex to this Decree-Law.
9. If the expenditure is a result of emergency conditions, which were not taken into account when this Decree-Law was developed, or which is of a special nature, disbursement shall take place from the appropriations of financial reserves, upon a decision from the Minister of Finance based on a recommendation from the Director General of the Public Budget and at the request of the competent Minister, by transferring the approved amount to the budget of the competent Ministry or by disbursing it centrally from the Ministry of Finance.

Article (10)

1. Spending from the appropriations of development expenditures earmarked to the Authority institutions shall be based on a decision from the Minister of Finance, at the request of the competent Minister and upon a joint recommendation from the Director General of the Public Budget and Accountant General.
2. No invitation to tender for a development project may be initiated by any responsibility centre except after ensuring that the financial allocation is available.

Article (11)

Spending from the public expenditure appropriations designated under this Decree-Law shall take place upon a decision from the Minister of Finance based on a recommendation from the Director General of the Public Budget by transferring the approved amount to the budget of the competent Ministry or by disbursing it centrally from the Ministry of Finance.

Article (12)

1. Appropriations may not be transferred from a programme to another under the same chapter except upon approval of the Minister of Finance based on the recommendation of the Director General of the Public Budget and at a written request that justifies reasons of transference.
2. Appropriations may be transferred from the items of recurrent expenditures to the items of capital expenditures within the programme itself, at the request of the competent Minister and approval of the Minister of Finance, and based on the recommendation of the Director General of the Public Budget. The converse shall not be permitted.
3. Appropriations may be transferred between items of recurrent expenditures within the programme itself. Appropriations may also be transferred between items of capital expenditures within the programme itself at the request of the competent Minister and based on the approval of the Minister of Finance and the recommendation of the Director General of the Public Budget.

4. Appropriations may be transferred from one development project to another upon approval of the Minister of Finance at the request of the competent Minister and upon the recommendation of the Director General of the Public Budget.
5. The appropriations of salaries, wages, and increments indicated in recurrent expenditures may not be transferred to another group or vice versa, with the exception of social contributions from transfer expenditures.
6. Any expenditure or any advance for which appropriations are not earmarked under this Decree-Law may not be effectuated or disbursed.
7. The appropriations earmarked in the budget of any responsibility centre shall be transferred to any employee who is transferred in accordance with the provisions of the Law of Civil Service to the responsibility centre of the entity to which he is transferred, upon the approval of the Minister of Finance and based on the recommendation of the Director General of the Public Budget.

Article (13)

1. No employee shall be appointed in accordance with the provisions of the Law of Civil Service except after the necessary financial appropriation is earmarked by the Minister of Finance.
2. Appointments shall be limited to the new positions annexed to this Decree-Law.
3. Appointment in the allowance of vacancies realised from previous years shall not take place for any responsibility centre.
4. Appointment in any previous new positions that have not been occupied shall not take place for any responsibility centre.
5. Subject to the provisions of Article 12(6) of this Decree-Law, permanent positions which become temporarily vacant shall be occupied in accordance with the provisions of the Law of Civil Service and the bylaws issued forth in accordance with it, under an employment contract in consideration of a wage that does not

exceed the equivalent wage earmarked for the vacant position and for a period that does not exceed and renewable for one term only, provided that it is included within the budget of the next year, provided that actual need is established.

6. Subject to the provisions of the Law of Civil Service and the bylaws issued forth in accordance with it, contracts shall be concluded with experts in consideration of a wage that does not exceed the amount of 4,000 dollars, with the exception of contracts funded entirely by external agencies, and on condition that the public sector employees meet the required competences and the actual need for contracting is established.
7. Promotion shall not take place except after the availability of the financial appropriation necessary for the grade for which promotion is intended.
8. Vacancy of positions may not be announced following the end of September 2012 in spite of available new positions and financial appropriation.
9. The functions of employees and workers hired on the account of project appropriations and appointed under employment contracts shall end by default with the expiration of such projects for exhaustion of such appropriations.
10. Positions that become vacant as a result of adjusting the conditions of respective employees shall be cancelled.

Article (14)

1. Allowances for overtime work shall not be disbursed. Whenever necessary, overtime work shall be replaced by granting the employee a day off in for every 6 hours of additional work, in addition to the balance of his official leaves until the Regulation on Shifts is issued forth.
2. Workers in the health sector, Borders Affairs, and any other agency which the Council of Ministers decides to exclude from the provisions of Paragraph (1) under this Article shall be excluded, provided that the excluded categories are identified in accordance with a decision to be issued

forth by the Council of Minister. It shall not include the higher categories.

Article (15)

The expenditures and new positions schedules of each responsibility centre, which are annexed to this Decree-Law, shall be deemed to be an integral part thereof.

Article (16)

All that contradicts the provisions of this Decree-Law shall be repealed.

Article (12)

This Decree-Law shall be presented to the Legislative Council in its first session held for approval.

Article (13)

All the competent authorities, each one within the scope of its competences, shall implement the provisions of this Decree-Law, which shall enter into force as of 31/3/2012 and shall be published in the Official Gazette.

Promulgated in the city of Ramallah on April 4th, 2012 *Anno Domini*, corresponding to Jumad Awwal 15th, 1433 *Anno Hegira*.

Mahmoud Abbas

President of the State of Palestine

Chairman of the Executive Committee of the Palestine Liberation Organisation

President the Palestinian National Authority

Summary of the Public Budget of the financial year 2012

(Amount in ILS million)

Total revenues	8,947
Total general revenues	8,493
Local collection	3,087
Clearance	5,859
Tax refunds	454
Total recurrent expenditures and net lending	12,114
Salaries and wages	6,813
Other recurrent expenditures	4,901
Net lending	400
Recurrent deficit before financing (liability basis)	3,621
Recurrent deficit before financing (cash basis)	3,621
Development expenditures	1,330
Total deficit before financing	4,951
Total financing	4,951
Grants and subsidies in budget support	3,811
Estimated grants to finance development expenditures	1,140
Financing gap	0

Summary of the Public Budget of the financial year 2012

(Amount in US\$ million)

Total revenues	2,354
Total general revenues	2,235
Local collection	812
Clearance	1,542
Tax refunds	119
Total recurrent expenditures and net lending	3,188
Salaries and wages	1,793
Other recurrent expenditures	1,290
Net lending	105
Recurrent deficit before financing (liability basis)	953

Recurrent deficit before financing (cash basis)	953
Development expenditures	350
Total deficit before financing	1,303
Total financing	1,303
Grants and aid in budget support	1,003
Estimated grants to finance development expenditures	300
Financing gap	0

Approved New Positions in 2012

Serial number	Responsibility centre	Number of new positions
1.	The President's Office	5
2.	Salfit Governorate	1
3.	Tulkarem Governorate	3
4.	Hebron Governorate	10
5.	Ramallah Governorate	3
6.	Bethlehem Governorate	1
7.	Jerusalem Governorate	1
8.	Khan Yunis Governorate	1
9.	Qalqiliya Governorate	1
10.	Nablus Governorate	3
11.	Tubas Governorate	1
12.	Jenin Governorate	2
13.	Jericho Governorate	2
14.	Palestinian Central Bureau of Statistics	10
15.	Civil Affairs	10
16.	State Audit and Administrative Control Bureau	10
17.	General Personnel Council	10
18.	Ministry of Finance	60
19.	Palestinian Energy Authority	10

Palestinian Legal Collection

20.	Ministry of Interior	15	46.	Ministry of Transportation	12
21.	Local Government	10	47.	Ministry of Telecommunications and Information Technology	10
22.	Ministry of Justice – Central	25	48.	Refugee Affairs Department	2
23.	Public Prosecution	24	49.	Ministry of Foreign Affairs	5
24.	Land Authority	10	50.	Palestinian Investment Promotion Agency	5
25.	Radio and Television Corporation	10	51.	High Judicial Council	65
26.	Ministry of Women’s Affairs	5	52.	Ministry of Detainees and Released Detainees	5
27.	Ministry of Education and Higher Education	1,515	53.	Palestinian Environment Quality Authority	4
28.	Palestine News and Information Agency (WAFA)	5	54.	Palestinian Industrial Estate and Free Zone Authority	8
29.	Palestinian Fatwa Department	1	55.	Secretariat General of the Council of Ministers	5
30.	Ministry of Culture	4	56.	Prime Minister’s Office	5
31.	Ministry of Justice	10	57.	National Committee for Education, Science and Culture	1
32.	Ministry of Waqf and Religious Affairs	100	58.	National Fund	11
33.	Negotiations Affairs Department	1	59.	Embassies	10
34.	Chief Justice Office	20	60.	Central Financial Department – military personnel	1,000
35.	Ministry of Health	300	61.	Ministry of State	6
36.	Ministry of Social Affairs – central	60	62.	Higher Council for the Youth and Sports	45
37.	Foundation for Care of Martyrs’ Families	6	63.	National Committee for Summer Camps	5
38.	Ministry of Public Works and Housing	10	64.	Azhari Institutes	10
39.	Palestine Standards Institution	12		Retirement on pension	-576
40.	Ministry of Agriculture	15		Grand total	3,000
41.	Directorate General of Crossings and Borders	10		Insurance and Pensions Authority	20
42.	Palestinian Water Authority	18			
43.	Ministry of National Economy	5			
44.	Ministry of Tourism and Antiquities	1			
45.	Ministry of Planning	6			

2. Executive Decisions

Decision of the Council of Ministers No. 43 of 2005 on the Financial Regulation of Ministries and Public Institutions

The Council of Ministers,

Having reviewed the Law No. 7 of 1998 on the Regulation of the Public Budget and Financial Affairs, particularly Article (67) thereunder;

Based upon the proposition of the Minister of Finance; and

Based upon what the Council of Ministers approved in its session held on June 22nd, 2005,

Hereby promulgates the following Bylaw:

Chapter I: Definitions

Article (1) Definitions

In the enforcement of this Regulation, the following words and expressions shall have the meanings ascribed thereto hereunder unless the context requires otherwise:

The National Authority:	The Palestinian National Authority.
The Council of Ministers:	The Council of Ministers of the National Authority.
The Legislative Council:	The Palestinian Legislative Council.
The Ministry:	The Ministry of Finance.
The Minister:	The Minister of Finance.
The Competent Minister:	The Minister in regards to his ministry and relevant departments, and for the purposes of this Regulation, the phrase 'the competent Minister' shall mean:

1. The Prime Minister in regards to the Council of Ministers and relevant departments.
2. The Secretary General of the President's Office in regards to Office of the President of the Palestinian National Authority.
3. Chairman of the Board of Directors of any public institution, authority or commission of the Palestinian National Authority in regards to such institution, authority or commission.

The Law: The Law No. 7 of 1998 on the Regulation of the Public Budget and Financial Affairs.

The Department: Any ministry, directorate, public institution, authority, commission, or any other body, whose budget falls within the Public Budget of the National Authority.

Public Institution: Any public authority, commission, or institution in Palestine, which has a juridical personality and whose budget falls within the Public Budget of the National Authority.

Institution:	Any public authority, commission, or institution, which has juridical personality and enjoys financial and administrative independence. However, its budget does not fall within the Public Budget of the National Authority.	Recurrent Expenses:	The salaries, wages, increments, operating and transfer expenditures to the Departments and other executive bodies of the National Authority.
Public Budget:	A detailed programme of the expenditures and revenues of the National Authority for a specific Financial Year. It includes the annual estimates for the revenues of the National Authority, grants, loans, other proceeds thereto and sundry expenses and disbursements, which are issued forth on annual basis by a law.	Capital Expenditures:	The ownership of capital assets and capital transfers of projects and other developmental expenditures.
Consolidated Accounting System:	The set of rules, bases, and organisational processes which are approved by the Ministry of Finance to organise, record and register all financial transactions pertaining to various receipts and disbursements. It shall be put into operation in all ministries and public institutions of the National Authority.	Financial Order:	The expenditure authorisation issued forth by the Minister of Finance to each department, including the amount authorized to be spent from the original appropriations earmarked thereto under the Law of the Public Budget.
Public Funds:	The cash and in-kind properties, and movable and immovable properties which belong to the National Authority.	Financial Transfer:	The cash financing which is implemented by the Minister in accordance with the financial orders issued by him.
Revenues:	The tax and nontax revenues, grants and any other revenues obtained by the National Authority.	Disbursement of Expenditure:	The cash payment of expenditures.
Grants:	The local and external grants whether they are in cash or in-kind.	Clearing of Expenditure:	Finalising and preparing the order for disbursement.
Expenses:	The recurrent, capital and development expenses.	Financial Year:	Begins on the first day of January and ends on the thirty first day of December of every calendar year.
		Final Account:	The account which is prepared according to recognised accounting standards and principles and consolidated accounting system developed by the Ministry. It represents a statement for the budget account and its execution result as actual and real figures at the end of the financial year.

Cash Financial Position:	A statement of the National Authority's financial position at a certain point in time or at the end of the financial year. It includes the assets margin inclusive of the cash liquidity in hand of the National Authority and the liabilities and obligations margin towards third entities according to the accounting principles and standards which are approved under the legislation in force.
Financial Officer:	Every employee appointed by the National Authority and vested with the responsibility of receiving, keeping, spending or controlling public funds or organising the financial books and documents as well as carrying out the financial entries or posting same to the designated card forms, and also every employee vested with the tasks of management of public funds, preparation of costing accounts, financial analysis and planning.
Internal Controller:	The financial officer appointed by the Minister at the Departments and relevant units to control revenues, expenses and tasks assigned thereto under this Regulation.
Internal Audit Department:	The competent department, which reports to the Minister and performs its tasks in line with the Regulation on Internal Financial Audit, which is set forth by the Ministry, to ensure proper and cost-effective use of public resources and to ensure commitment of each department and relevant units to expenditure in accordance with the financial legislation in force.

State Audit and Administrative Control Bureau:	The external audit agency, which enjoys independent juridical personality and exercises financial and administrative audit and control over all ministries, public institutions, local bodies, private funds, and institutions.
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Article (2) Scope of Enforcement of the Law

This Regulation shall be applicable to any ministry, directorate, public institution, or public authority or commission, whose budget is included within the Public Budget of the National Authority, as well as to any institution that is financially and administratively independent, but does not have a financial regulation on its own.

Chapter II: Financial and Accounting Principles and Rules

Article (3) Application of Financial and Accounting Principles and Rules

1. Departments shall apply the following financial and accounting principles and rules:
 - a. Use the double entry method in the documentation of their financial transactions in books.
 - b. Use the cash basis in recording their received revenues and disbursed expenditures (that is, revenues which have not actually been received and expenditures which have not actually been disbursed during the current financial year shall not be registered in the accounting books).
 - c. Record expenditures and revenues in their appropriate accounts in accordance with the classification approved on the Accounts Classification Structure of the current year.
 - d. Approve a consolidated accounting classification for statements of the final account and cash financial position in conformity with the Public Budget classification.

- e. Apply the centralized supply of collected revenue to the General Revenue Account as a preparation to turn it into a unified treasury account.
2. The Ministry shall apply a decentralised approach to the disbursement of operating expenses to the Departments by transferring their amounts, which are indicated in the issued financial orders to their bank accounts, which are designated for expenditures.
3. No department may use its revenues in the disbursement of its expenditures or disposition thereof for any purpose whatsoever.
4. Financial operations must be signed by the authorised persons in accordance with this Regulation. Relevant supporting documents must be enclosed therewith.
5. All documents relating to financial operations, registers and financial reports shall be kept during the whole periods prescribed under Article (14) of this Regulation.
6. Departments shall manage their accounts in accordance with the Accounting Regulation, which is set forth by the Ministry.
7. Only a tenured employee may occupy the position of a financial officer for the receipt of revenues.

Article (4) Competences

1. The competent Minister shall be responsible for the enforcement of the Law and the provisions of the Regulation in regards to his department.
2. The officer in charge of financial affairs at the department shall be responsible for ensuring the validity of financial transactions pertaining to receipts, payments, asset management, recording of obligations, and providing all financial officers at the department as per the laws, regulations and instructions relating to their tasks and responsibilities.
3. The financial officer, who is assigned to identify the amount of accrued revenues, receive, keep, spend or control public funds, maintain financial books and

documents, develop financial entries or post them to designated registers, cards and forms, manage public funds, or prepare cost accounts and financial analysis and planning, shall implement as per the relevant legislation, provisions of this Regulation and recognised accounting standards.

Chapter III: Vouchers, Documents, Forms and Accounting Records

Article (5) Tasks of the Ministry

1. The Ministry shall be responsible for designing, printing, and distributing vouchers, supporting documents, accounting books, manual control records to Departments to keep and use them in the validation of their financial transactions.
2. The Ministry shall be responsible for designing, printing, and distributing forms of special nature used in the automated accounting system.
3. The Ministry shall maintain the stock of financial publications pertaining to the collection of revenues, whereby it meets the needs of various Departments for a period of not less than six months.

Article (6) Classification of Vouchers

The sets of vouchers, supporting documents, accounting books and control records, which the Departments must keep, shall be classified as follows:

1. Main vouchers:
 - a. Receipt voucher.
 - b. Payment vouchers, including:
 - i. Payment voucher.
 - ii. Subsidiary payment voucher.
 - c. Journal voucher.
 - d. Obligation bond.
2. Supporting documents:
 - a. Receipt order.
 - b. Payment slip.
 - c. Cheque receipt voucher.

- d. Central payment order.
 - e. Archive discharge voucher.
 - f. Application form for opening a bank account.
 - g. Service delivery form.
3. Accounting books:
- a. General journal (cash journal).
 - b. Petty cash record.
 - c. General ledger.
 - d. Subsidiary revenues ledger.
 - e. Subsidiary expenditure ledger.
 - f. Trust ledger.
 - g. Advance ledger.
 - h. Other intermediate accounts ledgers.
4. Control records:
- a. Allowance control record.
 - b. Record of licences, receipt vouchers, and papers of financial value.
 - c. Project record.
 - d. Trial balance record.
 - e. Public debt record.
 - f. Grant and aid record.
 - g. Bounced cheque record.
 - h. Cancelled receipt vouchers record.
 - i. Any other records to be approved by the Ministry.
5. Central records at the Ministry of Finance:
- a. Central general journal.
 - b. Central general ledger.
 - c. Central revenue ledger.
 - d. Central expenditure ledger.
 - e. Trust accounts record.
 - f. Salary record.
 - g. Retired personnel salary record.
 - h. Taxpayer and financial accrual record.

- i. Final accounts record.
- j. Voucher, licence, and financial slip record.
- k. Other intermediate account ledger records.

Article (7) Functions of the Ministry

The Ministry shall perform the following:

1. Audit manual receipt vouchers, licences and form books after they are printed and before they are distributed to ensure valid printing, serial numbers, and number of copies. The auditor must sign on the book cover, stating his full name and date.
2. Receive receipt voucher, licence and form books from print shops in accordance with the supplies entry voucher and issue them to Departments in line with a supplies discharge voucher.
3. Keep a main record to be prepared for such purpose to register all covers of vouchers, licences and financial slips, which are printed and issued to the departments, on separate sheets.

Article (8) Tasks of the Departments

The Departments shall:

1. Enter vouchers, supporting documents, and accounting books and records, in their records immediately after they receive them by virtue of the supplies entry vouchers. They shall issue them to the relevant centres as per the supplies discharge vouchers. The same shall be applicable in the process of receipt and delivery at branches.
2. The financial officer shall audit the receipt vouchers, licences, and form books before they are distributed. When an error is discovered in the serial number or in the number of copies, it shall be returned to the agency, from which it was received, in order to return it to the Ministry.
3. The relevant financial officer at the department shall deliver the receipt vouchers, licences and form books to the treasurer as needed to ensure valid sequence of numbers and number of copies before use. These shall be

registered as a financial obligation against him in the licence and receipts book until he returns them to his line manager, who must audit and maintain them as well as sign the receipts.

4. Departments and relevant centres shall keep receipt vouchers, licences and form books and stubs following the use thereof in a safe place under supervision of a custody officer to be appointed by the competent Minister, provided that his tasks do not include revenue collection.
5. Receipt vouchers, licences, and form books shall be issued and used in line with the sequence of their numbers. No book may be issued or used unless the preceding one has been used.
6. The department shall keep main records, in which it registers the received receipt vouchers, licences, and form books.
7. The department shall keep subsidiary records for relevant centres, which are parallel to the records in such centres, provided that a regular reconciliation is conducted between its records and the records of the centres of its branches. These shall be reconciled on a periodic basis with the records of the Ministry.
8. The treasurer, who is entrusted with more than one receipt voucher, licence, and form book, must keep the designated record and register in it the numbers of the receipt vouchers, licences, and form books which are in his possession.
9. The department shall develop monthly statements of the receipt vouchers, licences and form books used in the branches and send a formal letter to the Director General of Financial Affairs at the department so that he audits and reconciles them with the records in his possession.
10. Each department must, at the end of every year, list and organise the used receipt vouchers, licences, and form books in statements according to sequence of their numbers. These shall be approved by the Director General of Financial Affairs. The statements shall be sent to the Ministry of Finance together with a formal letter in order to be removed from the department's custody.

Article (9) Keeping Subsidiary Records

1. Departments may keep additional subsidiary records that are consistent with their activities for statistical and analytical purposes.
2. Departments shall keep records and labels of fixed assets and projects in accordance with the Law of General Supplies.
3. The means of storage in computer systems and its outputs, after they are audited by the relevant financial officer, shall be deemed to be regular records approved in accordance with the accounting system developed by the Ministry.

Article (10) Investigation

The department must inform the Ministry immediately of any short or lost accounting vouchers, books or records, initiate investigation therein, and report results of the investigation to the Ministry.

Article (11) Procedures of Keeping Vouchers and Financial Records

Procedures for keeping financial vouchers and records shall be as follows:

1. Departments must designate one or more room(s) to be used as an archive to keep accounting vouchers, forms, documents and books as well as financial records after they are used. The competent Minister shall appoint an employee from outside of the financial Departments to keep custody thereof. He shall be called the (Financial Vouchers and Records Archive Custodian) and shall administratively report to the Deputy Minister.
2. On a periodic basis, the Director General of Financial Affairs shall transfer the general journal (cash journal), including attachments and journal vouchers, arranged in sequence, to the archive custodian. These shall be enclosed with detailed statements to be audited prior to the signing of receipts.
3. The treasurer shall refer the payment vouchers filed in sequence to the archive custodian, enclosed with detailed statements, to be audited prior to the signing of receipts.

4. Following the closing of the financial year accounts, the Director General of Financial Affairs shall refer all accounting books and audit records of that year, in addition to the monthly and annual financial reports and bank reconciliations, enclosed with detailed statements, to the archive custodian. These shall be audited and numbered prior to the signing of receipts.
5. In cases where the archive custodian detects a shortage or discrepancy between the statements and vouchers or books and records referred to him, he shall register it in the statement and return it to its source in accordance with a formal letter for follow up and correction.

Article (12) Submission of a Document Discharge Order

1. Discharge of any voucher, record, or book from the Financial Vouchers and Records Archive shall be prohibited except in accordance with an archive discharge order.
2. The discharge order shall be prepared in three copies and signed by the line manager of the party requesting the discharge. The first and second copies of the order shall be submitted to the archive custodian, who shall record the date of discharge, name of recipient, and his signature.
3. After the voucher, book, or record is returned, the archive custodian shall sign on the two copies as an acknowledgment of receipt on his part. He shall keep the first copy and return the second to its source.
4. The archive custodian must make sure that all voucher documents are numbered before they are discharged.
5. The applicant must return the voucher, book, or record to the archive custodian within a maximum period of seven days from the date of its discharge.
6. The archive custodian must keep a record of the vouchers, books and records, which were discharged from the archive, stating thereon: the number of books, records or vouchers, number of voucher documents, applicant, discharge order number, name

of recipient, date of discharge, and date of retrieval.

7. The request for accessing a voucher, book, or record inside the archive shall be deemed to be a discharge thereof.
8. Withdrawal, addition, replacement, or destruction of any attachments of the voucher, book, or record in any form whatsoever shall be prohibited and subject to liability.

Article (13) Replacement of Forms

In cases where the Ministry replaces receipt voucher forms by new ones, whereby the old vouchers become unusable, the Departments shall immediately return the old, unusable forms to the Ministry, by virtue of the supplies discharge voucher. Two senior employees of the Directorate of Revenues shall endorse the receipt thereof. The Directorate shall issue counter supplies entry vouchers.

Article (14) Prohibition of Disposition of Vouchers

1. Any main vouchers, supporting documents, accounting books, control records or central records may not be disposed prior to the expiration of the periods prescribed below. Such shall be subject to approval of the Minister at the request of the competent Minister. Disposition shall take place by a committee to be established by the competent Minister for such purpose:

Main vouchers:	20 years
Supporting documents:	20 years
Accounting books:	40 years
Control records:	40 years
Retired personnel salary records and personal files:	40 years
Taxpayer and financial accruals records:	50 years
Central records at the Ministry of Finance:	50 years

2. Notwithstanding the provisions of the Paragraph above, vouchers, supporting documents, accounting books or records shall not be disposed of if they are

necessary for an investigation committee, if they are under examination by an authorised body, or if they are necessary for a judicial action.

Chapter IV: Preparation of the Budget

Article (15) Submission of a Report on the Financial Position

1. In cooperation with the competent authorities, the Ministry shall submit on the first day of May of the current year a comprehensive report and analysis to the Council of Ministers on the general financial position, including objective projections of the activity of resources and liabilities during the remaining period of the financial year as well as recommendations on developing policies to respond to the projected economic developments. The Council of Ministers shall refer to this report in setting special indicators and policies for the development of the draft Public Budget of the upcoming financial year.
2. The Budget Directorate shall commence to prepare the Public Budget circular on the basis of the economic indicators and projections as well as on the financial and economic policies approved by the Council of Ministers.
3. The circular must be issued no later than the first of July of the current financial year, stating:
 - a. Financial and economic projections of the next financial year as well as economic and financial indicators and policies of the upcoming year.
 - b. Limits of the revenues, on the basis of which budgets must be estimated.
 - c. Estimation of its expenditures on the basis of unchanged policies.
 - d. Required directives, forms, and information.
 - e. Manual of recurrent, capital and development expenditures, divided into categories and indicating the items of each category, the concept opposite each item, and

the expenditures to be included thereunder in the budget of the next year.

- f. The timetable for the development of the next Public Budget projections.

Article (16) Content of Forms

Forms and information contained in the Public Budget Circular shall include the following:

1. A statement that indicates the estimated expenditures of each main item of the Public Budget structure, as follows:
 - a. Actual expenditure of the preceding financial year.
 - b. Actual expenditure of the first six months of the current year.
 - c. Projected expenditure of the remaining six months of the current year.
 - d. Estimated expenditure of the next financial year.
2. A statement that indicates the estimated revenues of each main item of the Public Budget structure, as follows:
 - a. Actual revenues of the preceding financial year.
 - b. Actual revenues re of the first six months of the current year.
 - c. Projected revenues of the remaining six months of the current year.
 - d. Estimated revenues of the next financial year on the basis of currently applicable rates and standards.
 - e. Revenues for new proposals and for adjustment of rates, as well as estimations of revenues generating from these proposals. Actual revenues shall be compared to counter estimations in each case.
3. Data on employees and estimated salaries for the next year.
4. The employment structure schedule of the next year, attached with the department's organisational structure.
5. A summary of the changes required for the next year, stating reasons thereon.

6. A statement of the financial needs of recurrent expenditures, commodity purchases, and operating services. These shall be enclosed with detailed statements of structures of the items of rents, water, electricity, telecommunications, stationery, printed materials, maintenance, repairs, disposable materials, and supplies, transportation expenses, and any other statements requested by the Ministry.
 7. Detailed statements of government vehicles and numbers of subscriptions to landline and mobile telephones.
 8. A statement of the financial needs for the purchase of durable (capital) goods.
 9. A summary of the long-term capital financing (development projects) implemented during the current year.
 10. A statement, including details of proposed capital projects (development projects), attached with a full report on the appropriate documents in accordance the nature of the project, the directives indicated in the circular, and any documents or statements requested by the Ministry, provided that such details include the cost of the operating expenses which subsequently arise from the implementation of such projects.
1. Examine the draft budget of each department and the estimated revenues and expenditures, in consultation with the competent Departments and representatives of the concerned departments, who are appointed by the competent Minister.
 2. Examine the human resource needs of ministries and public institutions, and develop the annual employment structure schedule of ministries and public institutions in coordination with them.
 3. Conduct the studies and research papers required for the preparation and implementation of the Draft Public Budget.
 4. Examine, discuss, and evaluate all applications and all programmes, for which the earmarking of appropriations is requested, after verification of their feasibility and consistency with the approved financial policies.
 5. Ensure the non-duality of appropriations, programmes, and financing.
 6. Department draft budgets shall be collated in the manner approved by the Ministry, taking into account conducting necessary comparisons of budgets of preceding years, the priorities set by the Council of Ministers, and other relevant elements; financing sources shall also be collated, and thereon the Public Budget Department shall develop the Draft Public Budget Law.

Article (17) Approval of Draft Budgets of Administrative Units

1. Each department must prepare bottom-up draft budgets of relevant administrative units. Combined, these shall constitute the draft budget of the department for the upcoming year. A detailed explanation shall be enclosed with the programmes, activities and projects, for which appropriations are requested.
2. Department shall send their draft budgets to the Ministry no later than the date prescribed on the Public Budget Circular.

Article (18) Preparation of the Draft Public Budget Law

The Public Budget Department shall develop the Draft Public Budget Law in following manner:

Article (19) Submission of the Draft Public Budget Law

No later than mid-October of the current financial year, the Minister shall submit the Draft Public Budget Law of the next year to the Council of Ministers.

Article (20) The Draft Public Budget

No later than the first of November, the Council of Ministers shall submit the Draft Public Budget of the next financial year to the Legislative Council for review, approval and publication in the Annual Public Budget Law.

Article (21) Submission of the Draft Budget Law

The Minister shall submit a report to the Legislative Council in respect of the draft law of the new Public Budget, comprising the applicable financial policy and the basic components of the proposal.

Article (22) Preparation of Cash Flow Statements

The Treasury Department shall prepare statements of the temporary cash flows on governmental transfers and debt services.

Article (23) Finalising the Draft Public Budget Law Discussion Procedures

1. The procedures for discussing, passing, and issuing the draft Public Budget as a law shall be finalised prior to the beginning of the new financial year.
2. The Draft Public Budget Law must include the following:
 - a. A classified statement of the estimated revenues and proposed expenditures for every department. The statement shall set out the actual revenues and expenditures for the past financial year and the adjusted estimates for the current financial year.
 - b. The proposals pertaining to the collection of additional revenues through the new fiscal and non-fiscal measures as well as the new borrowing to meet any deficit in the budget. Such envisaged rate of deficit should be taken into consideration as a maximum.
 - c. The propositions included under the draft law of the Public Budget which pertain to the capital projects under implementation, including an assessment of the actual progress in the light of the planned objects and a statement of the financial requirements for the upcoming Financial Years.
 - d. The justifications and details of implementation of the new capital projects in order to enable the Legislative Council to make the

appropriate decisions in respect thereof.

Chapter V: Revenues

Article (24) Implementation of the Procedures Prescribed under the Legislation

The competent financial officer must implement the procedures provided for under the applicable legislation for the purposes of realizing the revenues and following up on their collection on scheduled times.

Article (25) Transference of Revenues

1. Departments and public institutions must immediately transfer the revenues they collect to the General Revenue Account. They may use such revenues for any purpose whatsoever.
2. Any other body, which is assigned to collect revenues in accordance with a law or legislation, must transfer the revenues immediately upon collection thereof to the General Revenue Account.
3. The profits generating from the commercial and investment activities of the National Authority shall be transferred to the General Revenue Account.
4. Notwithstanding the provisions of the previous Paragraph, the appropriations necessary for such activities may be, upon approval of the Minister, deducted from the profits before they are transferred.

Article (26) Collection of Revenues by the Financial Officer

1. After revenues are realised, they shall be collected by the competent financial officer or the assigned body, based upon the receipt orders and receipt vouchers.
2. The treasurer or collection officer must deposit the amounts, which are collected until 12:00 pm, in the proper General Revenue Account at the bank on the same day on which they are collected. If such is impossible for reasons beyond his control, he shall deposit them in the morning of the first working day ensuing the day of collection.

Article (27) Depositing Revenues in Bank Accounts

1. Collected revenues shall be deposited in bank accounts, which the Minister shall open for such purpose.
2. Such accounts shall be used for depositing the collected revenues only. Withdrawals may not be made from these accounts in any case whatsoever.
3. The accumulative account balance shall be transferred therefrom on a daily basis to the collective General Revenue Account in preparation to transfer them to the Unified Treasury Account.

Article (28) Collection of Revenues

1. Revenues may be collected in an equivalent amount in the Israeli shekel as per the exchange rate approved by the Monetary Authority on the date of payment.
2. The receipt vouchers shall be issued in the type of currency received. It shall be transferred to the bank general revenue accounts in the same collected currency.
3. Departments shall develop the revenue report on each type of their revenues in the same currency actually collected.

Article (29) Issuance of the Receipt Order

1. Upon specification of the amounts payable by the assigned person, the competent financial officer shall issue the receipt order, including the following information: the whole realised amount, type of currency, name of respective account, name of the person assigned to pay, date, full name of the employee and his signature.
2. The receipt order, which is prepared by the department, shall be referred to the internal auditor, who is appointed by the Minister for such purpose. He shall ensure the compliance of the amount indicated in the receipt order with the applicable legislation as well as the validity of other data therein.
3. The internal controller must stamp and sign the receipt order, indicating the validity of the data mentioned thereon, and refer it to the treasurer.

4. If it appears to the internal controller that the amount indicated in the receipt order is not consistent with the amount of realised revenues, he must return the receipt order to the body which issued it, specifying the correct amount of realised revenues and their legal point of reference, in order to rectify and return it to him.

Article (30) Cash Payment Slips

All cash payment slips at banks shall be considered, before they are paid, as duly prepared receipt orders, whether they are manually prepared or electronically issued using the computer. These shall include:

1. Tax loans.
2. Due tax or any portion thereof.
3. Lump sum tax.
4. Fines, interests, and exchange rate differentials.
5. Slips prepared by taxpayers in accordance with the self-assessment principle.
6. Licence forms prepared for direct payment at banks.

Article (31) Manual Receipt Vouchers

Cash collection at the Department in line with manual receipt vouchers:

1. Cash payments shall be collected by the treasurer against receipt vouchers.
2. Each receipt voucher shall bear a serial number and shall comprise four copies, stating the name of payer, received amount in figures and letters, statement of the receipt, name and number of revenue account, and name and signature of the treasurer.
3. The treasurer shall submit the first (original) copy of the receipt voucher to the payer.
4. He shall enclose the second copy of the voucher with the receipt order and refer it to the financial officer, who is responsible for keeping the general journal (cash journal).
5. He shall refer the third copy of the receipt voucher to the employee, who

is responsible for keeping the Taxpayer Financial Accruals Record, to refer it to the payer's account in the event the automated system does not include a taxpayer account management.

6. The fourth copy of the voucher shall remain in the book held under custody of treasurer.
7. In case a mistake is made in writing the receipt voucher, the voucher shall be cancelled, stating the reason of cancellation. It shall be marked with two opposite lines, stamped with the "Cancelled" stamp, and kept in its sequence in the book. A replacement in lieu thereof shall be issued.
8. The treasurer shall record the cancelled vouchers in the Record of Cancelled Receipt Vouchers. He shall send a monthly statement thereof to the Ministry, which shall be signed by him, the financial officer responsible for collection, and the internal controller.

Article (32) Issuance of Receipt Vouchers from a Financial System

Cash collection at the department against an electronic receipt voucher issued through the computer system:

1. The following conditions must be fulfilled when receipt vouchers are issued through an electronic financial system:
 - a) The receipt voucher shall include a set of data that is automatically defined by the system and which cannot be amended by the financial officer who issues the voucher. These include the phrase "receipt voucher" as a title of the voucher, the date, a non-repeatable serial number, a mention of the word "original" on one copy only and the word "copy" on the other copies issued by the system, and the name of the financial officer who prepares the voucher.
 - b) The voucher shall include a set of other data that the financial officers enters into the computer, such as the taxpayer's name, the payer's identification card number, the received amount in figures, statement

of receipt, and the name and number of the revenue account.

2. The treasurer, who collects cash payments within the department through electronic receipt vouchers, must implement the following procedures:
 - a) Receive the whole amount in cash.
 - b) Stamp the receipt voucher with the stamp of "Received in Cash".
 - b) Hand to the payer the copy of the voucher, on which the word "Original" is printed.
 - d) Attach the second copy of the receipt voucher to the receipt order and forward them to financial officer responsible for following up on the general journal.
 - e) Forward the second copy of the receipt voucher to the employee who is responsible for following up on the taxpayer and financial accruals record in order to refer it to the payer's account.
 - f) The treasurer shall keep at least one copy of each receipt voucher, classified in a sequential order in a special file.
3. After the voucher data is entered and endorsed by the competent employee:
 - a) The receipt voucher shall be printed automatically through the system in one copy on which the word "Original" is printed and in three other copies.
 - b) In the event the voucher is not printed automatically for strict technical reasons, one copy thereof can be printed out, on which the word "Original" is printed, as per a special authority vested to a competent employee.
 - b) After the voucher is approved or an order is issued to print it out, the respective amount shall be posted to the cash account and revenue account, on which it is typed. The amount of the voucher shall also be posted to the payer's account in the case where taxpayers' accounts are managed at the Department.

4. In cases where the processing of which requires the cancellation of the receipt voucher:
 - a) The reason of the cancellation and name of the employee who cancelled it must be stated. The automatically cancelled receipt voucher must also be reversed from the cash account, revenue account, and taxpayer's account, provided that the cancellation of the voucher in the system does not cause deletion of the data of the cancelled voucher.
 - b) The employee who is authorised to cancel the receipt voucher shall mark two opposite lines on the cancelled voucher and stamp it with the "Cancelled" stamp.
 - b) The cancelled vouchers shall be sorted in terms of the date, time, and reason of the cancellation as well as the code name of the employee who cancelled it.
 - d) The system may not reuse the serial number of the cancelled voucher for another receipt voucher.
4. All slips, after they are paid at banks, shall be deemed as duly prepared receipt vouchers.
5. Slips shall be paid at the accredited banks without incurring on payers any commissions for the bank in consideration thereof.
6. Slips, in which incorrect or missing data is found, whereby they cannot be being credited to the account of relevant payers, shall be credited as trusts in an account designated for such purpose, and an employee will be assigned to follow up on its data to ensure they are posted to the accounts of relevant payers.
7. The Department must assign an employee to receive the sets of slips and their entry advices from the banks on a daily basis and deliver them to the section's officer, who is responsible for registering the posting of paid slips (custodian of the general journal).
8. The competent section shall enter and post slips (custodian of the general journal) as follows:
 - a) Verify that the sets of slips received from the bank are arranged in sets by the number of account and that the total amount of the set is reconciled with the total amount of the attached bank advice, otherwise he shall rearrange them.
 - b) Add serial numbers to the slips of a single set.
 - c) Enter the data of slips of a single set and the total set of the group separately, provided that the electronic financial system reconciles the total amounts of the individually entered slips with the total amount of the set (amount of the bank advice). If not reconciled, the financial collection officer shall investigate relevant causes using all means, including reporting to the bank.
 - d) Verify the accuracy of the slips data before they are confirmed and posted to various accounts.
 - e) Enter the slips data in the receipts book and post them to the accounts

Article (33) Cash Receipt Using the Cash Register

The Departments, whose operation requires the collection of amounts any of which does not exceed ILS 400 using a large number of transactions on a daily basis, may collect the same using the cash register in accordance with the instructions issued forth by the Minister.

Article (34) Cash Collection at Banks

Cash collection at banks by means of payment slips:

1. The Ministry shall determine the types of revenues to be collected through cash payment slips at banks.
2. The payment slip shall be prepared within the Department and handed over to the payer.
3. Self-assessment payment slips, which are prepared to be used by taxpayers, may be prepared by the taxpayer or his representatives.

- of relevant payers if an electronic system is not in place.
- f) Keep the sets of slips in a safe place within the Department and store them by their due date.
9. The Ministry may set forth arrangements for the payment slips, which are different from the provisions above in consistence with the nature of work of each department.

Article (35) Collection through Bank Transfers

Collection through bank transfers:

1. Collection may take place through bank transfers between the departments.
2. In exceptional cases agreed on between the relevant body and Ministry of Finance, collection may take place through bank transfers to the general revenue account, which is designated for such type of revenues only.
3. The Department must receive the sets of transfers and their respective entry advices from banks on a daily basis, and deliver them to the treasurer to issue a receipt voucher for each transfer separately, stating thereon the number of transfer, transferring body, date of entry, and amount. He shall send the first copy to the payer and refer the second copy of the voucher, enclosed with the transfer notice, to the financial officer in charge of keeping the general journal (cash journal) for entry and posting.
4. The third copy of the receipt voucher shall be referred to the employee in charge of keeping the taxpayer and financial accruals record, who shall forward it to the payer's account.
5. The fourth copy of the voucher shall remain in the book in the custody of the treasurer.
6. The data of the receipt vouchers issued on bank transfers shall not be confirmed and posted to the different accounts, except after their validity is ascertained.
7. In case a mistake is made in writing the receipt voucher, the voucher shall be cancelled, by indicating the reason of

cancellation. It shall be marked with two opposite lines, stamped with the "Cancelled" stamp, and kept in its sequence in the book. A replacement in lieu thereof shall be issued.

8. The treasurer shall record the cancelled vouchers in the Record of Cancelled Receipt Vouchers. He must send a monthly statement thereof to the Ministry, which shall be signed by him and the financial collection officer and the internal controller.
9. The Department must conduct daily reconciliations of the transfers received with the bank statement. In the event of discrepancies, the financial collection officer shall investigate relevant causes using all means, including reporting to the bank.

Article (36) Collection through the Revenue Stamps

Collection through the revenue stamps shall take place in the cases permitted by the legislation in force.

Article (37) Collection through Cheques

Collection through Cheques:

1. A cheque of any amount whatsoever shall be admitted if the drawer is a governmental agency, local council, or public shareholding company.
2. A cheque in the amount of not more than one thousand dollars shall be admitted without approval of the drawee bank. Multiple, uncertified cheques, the total amounts of which exceeds one thousand dollars, shall not be accepted from a single taxpayer.
3. A cheque drawn by persons or agencies other than those mentioned under Clause 1 above shall not be accepted in the event its amounts exceeds one thousand dollars unless it is certified by the drawee bank.
4. Uncertified cheques of any amount whatsoever shall not be accepted from any agency in case a cheque was returned thereto due to non-payment.
5. The treasurer or financial collection officer must audit the cheque before he receives

it and make sure that it fulfils the following data and conditions:

- a) To be drawn on a licenced bank from the taxpayer's (drawer's) account.
 - b) To be paid to the order to the department that receives the cheque.
 - c) To be payable on the date of its issuance.
 - d) To be signed by that drawer.
 - e) To have its amount in figures equal to its amount in letters.
 - f) To be issued in the same currency of collection.
6. Following verification that the cheque meets the conditions mentioned above, the treasurer should cross it (to be deposited in the account only). A cheque receipt voucher shall be prepared in four copies in the full name of the payer, including: the date and reason of payment, name, and number of the revenues account, and cheque data (cheque number, drawer's name and account number, cheque amount, and drawee bank).
 7. The treasurer or financial collection officer shall enclose the second copy of the voucher with the receipt order and refer it to the financial officer in charge of keeping the general journal (cash journal).
 8. The treasurer shall refer the third copy of the receipt voucher to the employee responsible for keeping the taxpayer and financial accruals record, so that he posts it to the payer's account.
 9. The treasurer shall keep the fourth copy.
 10. The cheque shall be stamped with the stamp: (To be credited to Account No. Bank - Ministry of Finance/ Ministry of

Article (38) Deposit of Received Cheques

1. Deposit of received cheques:

The (treasurer) shall deposit the cheques received until 12:00 pm to the general revenue account at the bank on the same date on which they are received. If such is impossible for reasons beyond his control, he shall deposit

them in the morning of the first working day ensuing the day of receipt. After it is signed by the bank, he shall keep the original deposit slip arranged as per the sequence of the deposit date in a special file. He shall also refer a copy thereof to the financial officer in charge of bank reconciliation.

2. Returned cheques:

- a) If a cheque is returned without being cashed, it shall be charged on the drawer on the bounced cheque record. It shall be sent to the Department, which received it, to summon and assign the drawer to pay its amount. In case of non-payment, it must collect it in accordance with the laws in force.
- b) If the drawer of the bounced cheque obtained a legal discount or a legal fine was not imposed on him because he issued the check, such shall be deemed to be of no effect. The Department must follow up on the collection of funds in the legal manner, including taking penal action.
- c) A receipt voucher of the returned cheque shall be prepared, indicating all cheque data, receipt voucher number, and bank advice data, including the reasons of return. The voucher data shall be posted to the bounced cheque record. A written notice shall be sent to the drawer by hand or registered mail.
- d) A special record of bounced cheques shall be created in the Ministry and in each Department to register: the cheque amount and date, drawee bank, drawer, purpose for which it was received, and name of the department that received it.
- e) When the returned cheque amount is received, it shall be entered on the records under a reverse entry to discharge the drawer.

Article (39) Keeping the General Journals

The financial officer in charge of keeping general journals must perform the following:

1. Reconcile the amount specified in the receipt order with the amount indicated in

the receipt voucher. Following validation of reconciliation, he shall enter the receipt voucher data according to the serial numbers of receipt vouchers using the double entry method on the general journal, which is prepared in three copies. Otherwise, he may enter the relevant data on the computer in case an automated account system is managed.

2. Aggregate the general journal entries, ensure the accuracy of the entries, and refer the second copy of the receipt voucher, supported by the receipt order, at the end of each business day, along with the first copy of the general vouchers signed by him, to the financial officer in charge of the subsidiary revenue ledger and the second copy to his line manager. He shall keep the third copy in a special file.
3. Aggregate the general journal at the end of each month, issue a report in four copies, and refer the first copy to the employee who keeps the general ledger, the second copy to the employee in charge of bank reconciliations, and the third copy to the Director General of Financial Affairs. He shall keep the fourth copy in a special file.
4. If the employee discovers a case of non-reconciliation between the receipt order and the receipt voucher, he shall thus notify his line manager, who, after verifying the non-reconciliation, shall enter the receipt voucher in the general journal (cash journal) and charge the short amount on the treasurer account.

Article (40) Bookkeeping

The financial officer in charge of keep subsidiary ledgers and general ledger must perform the following:

1. Post receipt voucher statements on a daily basis to the subsidiary revenues ledger, credit them to the respective revenue accounts in accordance with the classification approved in the budget, and keep general journal (cash journal) reports and receipt vouchers attached thereto in the files of that month.
2. Aggregate accounts of the subsidiary revenues ledger on a daily basis, reconcile their totals with the total of the general

journal if the records are manually managed, and issue a daily report in four copies to be signed by him. He shall refer the first copy thereof to the employee in charge of keeping the general ledger, the second copy to the Director General Financial Affairs, and the third copy to the internal controller. He shall keep the fourth copy in a special file.

3. Aggregate the accounts of the subsidiary revenues ledger on a monthly basis, issue a report in four copies, the first copy of which he shall refer to the employee in charge of keeping the general ledger, the second copy to the Director General of Financial Affairs, and the third copy to the employee in charge of the bank reconciliation. He shall keep the fourth copy in a special file.
4. The employee who keeps the general ledger shall refer all daily transactions based on the statements submitted to him. He shall issue a monthly report in three copies, and refer the first copy to the Director General of Financial Affairs and the second copy to the officer in charge of keeping the trial balance record. He shall keep the third copy in a special file.
5. Develop the monthly trial balance using the aggregate and balance methods based on the trial balance or issue it from the computer.

Article (41) Developing a Weekly Report on Collections

1. The relevant financial officer shall develop a weekly report on collections conducted using all means of collection, and submit it to his line manager for approval. Then, he shall send it to the Director General of Financial Affairs at the Department.
2. The report of the last week of the month shall be prepared at the end of the month, regardless of the number of days thereof.
3. The Financial Department must develop a monthly reconciliation between the bank statement and general revenue account of that revenue on the general ledger. He shall send a copy to the internal controller.
4. The Financial Department must develop the monthly revenue report and send a copy to the internal controller.

5. The internal controller shall validate the statements and send his comments to the agency which referred the report to him as well as a copy to the Directorate of Internal Control at the Ministry of Finance.
6. The Director General of Financial Affairs at the Department shall send the monthly revenue report signed by him after conducting the necessary checks to validate the data thereon, to the Directorate of Revenues at the Ministry of Finance no later than the end of the first week of the ensuing month.
3. The minister shall identify the financial officer, who must submit a financial warrant certified by the Notary Public in accordance with the applicable Regulation on Employee Warrants.
4. In the event the Public Budget Draft Law is not approved prior to the beginning of the new financial year, the Ministry shall have the power to collect revenues in line with the mechanisms, conditions and rates provided for under the legislation in force.
5. The treasurer must notify his line manager and the internal controller of any surplus in the treasury as soon as it is discovered. Surplus in treasuries, the causes of which are not discovered, shall be adjusted and treated as revenues.

Article (42) Reconciliation of Statements

1. The Ministry shall reconcile the data in the monthly collection reports with the monthly bank statements.
2. The Directorate of Revenues at the Ministry shall prepare a journal voucher of the amount of collected revenues in the monthly report. It shall be entered on the central general journal in accordance with the budget classification and posted to the central revenue ledger.
3. After total collections, interests, and commissions are listed, the Directorate of Revenues at the Ministry shall prepare vouchers of credit interests, commissions, and bank interests. It shall be entered on the central general journal in accordance with the budget classification and posted to the central revenue ledger.
4. The Ministry shall prepare a monthly reconciliation between the general revenue account and the consolidated treasury account.

Article (43) Special Provisions on Revenues

Other special provisions on revenues:

1. The competent Minister shall set forth in writing the revenue-related tasks assigned to each financial officer in his department.
2. The department must separate the tasks related to the issuance of receipt orders, collection thereof using different methods, entry thereof in the general journal, posting thereof to subsidiary ledgers in manual records, and the preparation of bank reconciliations.

Article (44) Setting the Maximum Limit of Balances

1. The Minister shall set, based on the recommendation of the competent Minister, the maximum limit of collected cash balances and papers of financial value which the financial officer can keep.
2. The Minister shall set, based on the recommendation of the Minister of Telecommunications, the maximum limit of the quantities of stamps and papers of financial value, which the Post Office directors and staff can keep.

Article (45) Keeping Cash

The Department must take necessary cautions to protect and keep cash and papers of financial value. This includes providing treasurers with metal cutters to be fixed by cement in a safe and proper place and securing the same against theft and fire.

Article (46) Transportation of Cash

Transportation of cash from one location to another

1. Cash that does not exceed the amount of ILS 50,000 shall be transported by a staff member of the Department.
2. Cash that exceeds ILS 50,000 but does not exceed the amount of ILS 100,000 shall be transported by a vehicle together with two staff members of the Department.

3. In contrast, the amounts which exceed ILS 100,000 shall be transported by a vehicle together with two staff members of the Department, in addition to a security (police) escort.
4. Upon the written approval of the Minister, the Department may secure the transportation of cash or ensure the transportation of cash through secured cash transportation companies.

Article (47) Auditing Entries

The Minister or the person whom he authorises in writing shall be entitled to audit the entries and records pertaining to the collection of revenues at the departments, institutions and other agencies assigned to collect the same.

Article (48) Refunding Revenues

Refunding collected revenues:

1. Collected revenues shall not be refunded except in one of the following cases:
 - a) If the legislation allows that they are refunded.
 - b) If they are collected by mistake.
 - c) If they are collected in an illegal manner.
2. Revenues that were unlawfully collected shall be refunded upon a decision from the Ministers.
3. Revenues that were collected in the current or previous financial year, but a decision has been made to refund them for any reason whatsoever, shall be refunded from the same account to which they were credited.
4. In all cases, revenues shall not be refunded after the documents supporting receipt thereof are destroyed unless the Minister decides otherwise.
5. The collected revenues shall be refunded under payment orders to be enclosed with the documents supporting receipt thereof, indicating the name and number of account.

Article (49) Grants and Donations

Grants, offers, and donations:

1. The Ministry of Planning shall be authorised to conclude the agreements of grants, donations, and offers within the project budget or budget support in accordance with the development budgets and plans.
2. The competent Minister must inform the Minister of any grants, subsidies, offers, or cash or in-kind donations that are offered to the department as soon as they are offered.
3. If the grants, subsidies, offers or donations offered in accordance with Paragraph 1 of this Article, are in-kind subsidies, the value thereof shall be estimated by a committee to be appointed by the competent Minister. A representative of the ministry shall take part therein.
4. In-kind donations shall be received and delivered in accordance with the provisions of the Law on General Supplies.
5. Cash grants, subsidies, offers, and donations shall be charged on the general revenue account, unless of a special contrary exception stipulated by a law, an international convention, or a legal contract.
6. Cash grants, subsidies, offers and donations, which are offered by a third party to any department in accordance with the agreements with governments or institutions or external agencies, shall be transferred to the ministry, and entered as a trust at the ministry in the name of such department. The method and procedures related to the receipt, entry, control, and disbursement thereof for their intended purpose shall be subjected to the provisions of this Regulation.

Chapter VI: Expenditures

Article (50) Compliance with the Annual Public Budget Law

1. All Departments must comply with the Annual Public Budget Law.
2. The amount approved under the Public Budget Law shall be deemed to be the

maximum limit of amounts allowed to spend and/or commit to for the current financial year.

3. After the Public Budget Law is promulgated, the Ministry shall notify all Departments of respective allocations earmarked under the Public Budget Law.
4. Departments must notify their respective expenditure units of the respective allocations under the Public Budget Law, and distribute funds to such units in accordance with such allocations. These units shall be responsible for enforcing the Public Budget Law according to the allocations appropriated thereto.

Article (51) Development of the Monthly Expenditure Plan

1. The Ministry shall prepare the monthly expenditure plan on the basis of the available cash sources from previous allocations, which were not used by departments, as well as the relative priorities between the competing demands and the projected expenditure commitments.
2. Allocations earmarked to Departments under the Budget Law shall be spent in accordance with the financial orders issued by the Minister.
3. Financial orders shall be issued in accordance with the monthly expenditure plan.
4. Financial orders shall be executed in accordance with the financial transfers.
5. In the event the Public Budget Draft Law is not approved prior to the beginning of the new financial year, expenditure shall continue by monthly appropriations in a rate of 1/12 per month of the preceding financial year, with a maximum limit of three months.

Article (52) Authorised Person to approve Expenditure

The Minister shall be the person authorised to approve expenditure from the allocations of his department, which are appropriated under the Public Budget Law. He may authorise this power to one or more senior employee(s), provided that he thus notifies the Minister of Finance in accordance by virtue of a written

letter to be enclosed with examples of the signatures of the authorised employees.

Article (53) Commitment to Allocations

1. Allocations surpassing the maximum amounts earmarked in the budget may not be spent and/or committed. Any unpaid commitment in the preceding year shall be deducted therefrom.
2. The allocations indicated in the issued financial orders shall be deemed to be the maximum spend limit amounts.
3. Expenditure commitments shall be set within the authorized cash limits in relation to agreements on the supply of commodities and services, which require long-term commitments.
4. Disbursement of any expenditure, for which allocations were not appropriated under the Public Budget Law, is not authorized. Moreover, allocations may not be used for any purpose other than that for which they have been appropriated.

Article (54) Amendment or Addition of New Items

1. If it is necessary to amend the Public Budget Law or add items which result in the addition of new allocations, such amendment or addition shall be prepared as an annex to the budget and submitted by the Council of Ministers to the Legislative Council for approval and promulgation of the law thereon.
2. Line ministries and public institutions shall not have the right to re-allocate the budget appropriations from one line item to another under the respective approved budgets unless they are in accordance with the provisions of the Annual Public Budget Law, which govern reallocation between subsidiary line items of allocations.
3. Subject to the provisions of Paragraph 2 above:
 - a) Expenditure items that are not included in the department's budget may not be created except upon approval of the Public Budget Department, which identifies the account name and number following

- the finalization of the necessary legal procedures.
- b) Departments may not request a transfer from allocations, to which a commitment was made in accordance with procurement orders or contracts.
 - c) Departments must record changes in the Public Budget during the financial year, including the additions, reductions, or transfers. The internal controller must audit the amendments which affected the budget on a periodic basis.

Article (55) Restriction of Expenditure Disbursement

Expenditure may not be disbursed except after:

1. A financial appropriation is available in the balance of the issued financial orders.
2. Documents that support disbursement of the same are enclosed.
3. Verify the accurate calculation thereof.
4. Ensure the compliance thereof with the laws, regulations, and instructions in force.
5. Approval thereof by the internal controller.

Article (56) Disbursement of the Expenditure Relating to Salaries and Wages

The expenditure related to salaries and wages shall be disbursed after documents are attached and the following conditions are met:

1. Salaries of permanent personnel:
 - a) Decision on appointment issued by the relevant agency in accordance with the laws in force.
 - b) Organisational structure and employment structure schedule of the current year.
 - c) Employment category schedule, scale of salaries, and increments.
 - d) Salaries shall be calculated on the basis of entitlements and deductions.
2. Salaries of employees hired under employment contracts:

- a) Decision on appointment issued by the relevant agency in accordance with the laws in force.
 - b) Employment contract.
 - c) Salaries shall be calculated on the basis of entitlements and deductions in accordance with the contract terms and conditions.
3. Worker wages:
 - a) Decision on appointment issued by the relevant agency.
 - b) Designated form to monitor the daily attendance sheet signed by the workers and approved by the relevant minister or the person whom he authorises.
 - c) The amount of daily wage provided for under the decision on appointment in accordance with the definition of the relevant agency, if any.
 4. Increments and allowances: These include grade increment, cost of living, scarcity, risk, specialisation, nature of work, administrative increment, and periodic increment:
 - a) The decision issued by the relevant agency in accordance with provisions of the Civil Service Law.
 - b) The administrative increment shall be disbursed in accordance with the organisational structure and job schedule, which are approved for various departments. It may not be combined with the specialisation increment, such that whichever is higher shall be disbursed.
 - c) The annual periodic increment shall be disbursed to those who have spent one or more years in service on the first of January of each year in accordance with the conditions prescribed under Article 52 of the Civil Service Law.
 5. Transportation allowance from the place of residence to the workplace as well as during work:
 - a) A decision issued by the relevant agency, which is certified by the competent Minister.

- b) The designated form filled out and signed by the entitled person and certified by the competent agency.
6. Social increment:
- The social increment shall be disbursed on the basis of marriage contracts and birth certificates in accordance with the conditions prescribed under the Civil Service Law.
7. Incentives:
- a) The decision of the relevant agency.
 - b) The Department-specific incentives regulation, which is issued based on the Civil Service Law.
8. Incentive Rewards:
- A decision from the competent Minister in accordance with the Civil Service Law.
9. Incentive Increment:
- Decision of the competent Minister in pursuance of the conditions provided for under the Civil Service Law.
10. Consideration of tasks assigned to the employee outside of the official working hours:
- a) Decision of the competent Minister.
 - b) Designated form of overtime work signed by the employee and his line manager and certified by the competent Minister.
 - c) The amount paid in consideration thereof shall not surmount a quarter of the basic salary of the concerned employee.
 - d) They shall be consistent with the provisions, conditions, and procedures specified by the Civil Service Law.

Article (57) The Expenditure Relating to Water and Electricity

The expenditure relating to water and electricity shall be disbursed after documents are attached and the following conditions are met:

1. Subscription must be registered in the name of the department/administrative unit.

2. Subscription shall be included in the subscription number lists and addresses of the administrative units affiliated with the department.
3. Consumption price shall be paid as per a supplier invoice, indicating the period, quantity, and price of consumption, after it is endorsed by the responsible agency at the department, as confirmation of having examined and reviewed the quantities indicated in the invoices.

Article (58) Prices of International Calls

1. The prices of international calls to landline phones, which are approved in writing by the competent Minister, shall be disbursed as follows:
 - a) A total of three phone lines, including facsimile lines, shall be designated for the use of ministers and the like.
 - b) A total of two lines, including facsimile lines, shall be designated for the use of deputy ministers.
 - c) Upon a decision from the competent Minister, Not more than one line, including facsimile line, shall be designated for director generals, if the nature of their work requires making international calls.
 - d) Upon a decision from the competent Minister, phones shall be designated for the use of some directorates, which cannot exercise respective functions without making international calls.
2. 50% of the telephone bills of the residences of ministers and the like shall be disbursed for one phone line, and 30% for the residences of deputy ministers. Their prices shall be considered as official telephone services and shall be classified under the financial item designated for department telephones.
3. Upon a decision from the competent Minister, 20% of the telephone bill of the residence of a director general or a director of a field department may be disbursed if the nature of their work requires making phone calls after the official working hours.

Article (59) Cellular Phone

1. A cellular phone shall be disbursed to ministers and deputy ministers.
2. The competent Minister may disburse a cellular phone to a director general or director of field department or to any other employee, with whom the interest of work requires a maintained contact.
3. 80% of the bills of cellular phones designated to ministers and the like shall be disbursed, and 60% and not more than ILS 1,500 to ministers and ILS 500 to deputy ministers.
4. The competent Minister shall set the maximum limit to be paid of the bill of each cellular phone, which was disbursed in accordance with the provisions of Paragraph 2 above, provided that it does not exceed ILS 400.

Article (60) Using Telecommunication Devices

In accordance with a decision from the competent Minister, the Department may use wireless telecommunication devices if the nature of its work thus requires.

Article (61) Keeping Lists of Landline and Cellular Phones

1. Departments shall keep lists of landline and cellular phones as well as the addresses of the administrative units subscribing thereto, and identify the intended use of each.
2. Prices of communications shall be paid as per a supplier invoice indicating the period of consumption, after it is endorsed by the responsible agency at the department as confirmation of having examined and reviewed the quantities indicated in the invoices in accordance with the instructions issued by the ministry. It shall be enclosed with a deduction at source invoice, which is issued by the Income Tax Department or deduction of the percentage determined pursuant to the Income Tax Law.

Article (62) Register of Governmental Vehicles

1. Each department shall keep a register of governmental vehicles held in its custody. It shall include the numbers and models of governmental vehicles, name of employee in whose custody the vehicle is held, the directorate that uses it, and the nature of its use.
2. The department shall be responsible for governmental vehicles, including monitoring the implementation of the regulation on use, fuel, maintenance, and insurance.

Article (63) Governmental Stamps

Printing of governmental stamps:

1. Official stamps may not be printed except upon a written approval from the competent Minister.
2. The department that requests the printing of an official stamp must identify the shape and design of the stamp, colour of ink with which it will be printed, the required number, purpose of use, and the document to be stamped with.
3. The ministry shall state the name of printing press authorized to print the stamps.
4. The department which requests the printing of stamps shall prepare a receipt voucher of received stamps after they are printed out. It shall enclose a sample of the stamp after it is received.
5. The department which requested the printing of the stamp must prepare an entry voucher, including the number and description of stamps.
6. The department must ensure the safe custody of stamps. The employee who is entrusted with a stamp shall ensure the safe custody thereof.
7. The department must keep a record of stamps, including the names of employees in whose custody the stamps are held as well as the date of receipt and delivery.

Article (64) Disbursement of Pension Expenses

Expenses associated with pensions and indemnities shall be disbursed:

1. In accordance with the Retirement Law in force.
2. Upon a discharge from the relevant agency(s).

Article (65) Social Security Expenses

Expenses associated with the amounts paid by the agencies, which are bound to beneficiary salaries (social security) shall be disbursed in line with the rate prescribed by the Retirement Law in force.

Article (66) Expenses Associated with Subscriptions and Contributions

Expenses associated with subscriptions and contributions, which the Authority pays for regional and international institutions, organisations and bodies shall be disbursed according to a decision to be issued by the competent Minister.

Article (67) Allocation of Line Items in the Public Budget

When line items are allocated in the Public Budget to support nongovernmental organisations, procedures of the grant, disbursement, and control thereof shall be performed in the following manner:

1. Submit an application for support to the ministry – using the designated form – indicating:

The amount of requested support; name of the applying organisation; identification/registration number; nature of activity; names and addresses of managers; names and addresses of authorised signatories of the organisation; number of its bank account; name and address of the treasurer; and name and address of the certified accountant.

2. To be enclosed with the application: registration certificate; memorandum and articles of association; preceding year budget; disbursement items of the requested amount of support; a statement of any amounts it received for such

purposes; any applications it will submit during the same year to other agencies locally or abroad; and a pledge to spend the amount of support for the intended purposes.

3. The organisations that receive support and its amount shall be specified upon a decision issued by the Minister based on a recommendation of a committee, which he establishes for such purpose and in which the relevant department of the activity to be supported is represented.
4. The committee shall have the right to request any details or documents which it deems necessary to examine the application.
5. The Ministry shall adopt a control system with a view to ensuring the satisfaction of the support condition and its proper disbursement.
6. When support funds are requested to contribute to funding an activity or expenditure that is implemented by a third party (a university, hospital, etc.), the funds shall be transferred directly to the execution entity.
7. The Minister shall have the right to delay or cancel the earmarked support in the event the supported entity has not complied with the support award condition or if it has misused the support.

Article (68) Expenses Associated with the Procurement of Operating Commodities

Conditions of the disbursement of the expenses associated with the procurement of operating commodities:

1. Award decision or purchase decision issued by the relevant agency in accordance with the Law of General Supplies.
2. Purchase agreement.
3. Procurement order.
4. Receipt voucher issued by the agencies authorised of receipt in accordance with the Law of General Supplies.
5. Entry voucher.
6. Supplier invoice.

7. Warrants provided for under the Law of General Supplies.
8. A deduction at source certificate issued by the Income Tax Department or a decision on the rate specified pursuant to the Income Tax Law.
9. Payment of revenue stamps in accordance with the Law on the Fees of Revenue Stamps.

Article (69) Service Expenses

Conditions of the disbursement of expenses associated with the purchase of services:

1. Award decision or purchase decision issued by the relevant agency in accordance with the Law of General Supplies.
2. Service provision agreement.
3. Supplier invoice.
4. Approval of the relevant agency, stating that the service was implemented in line with the conditions provided for in the agreement.
5. A deduction at source certificate issued by the Income Tax Department or a decision on the rate specified pursuant to the Income Tax Law.
6. Payment of revenue stamps in accordance with the Law on the Fees of Revenue Stamps.

Article (70) Lease Expenses

Conditions of the disbursement of expenses associated with leases:

1. The first copy of the central issue application form addressed to the Ministry of Finance, stating the location of the leased property, purpose of its use, name of the lessor, and amount and duration of the payable rent.
2. The lease contract duly drawn up.
3. A copy of the title deed.
4. A certificate of occupancy issued by the lessee.
5. A quietus issued by the Property Tax Department.

6. A deduction at source certificate issued by the Income Tax Department or a decision on the rate specified pursuant to the Income Tax Law.
7. Payment of revenue stamps in accordance with the Law on the Fees of Revenue Stamps.

Article (71) Expenses of Hosting Delegations

Conditions of the disbursement of expenses associated with hosting delegations:

1. Decision of the competent Minister or the person whom he authorises, indicating: the hosted entity, occasion, names of members of the delegation, and nature of hospitality in terms of accommodation and/or meals.
2. The supplier invoice signed by the competent Minister or the person whom he authorises.
3. The hotel invoice signed by the hosted entity and by the competent Minister or the person whom he authorises.
4. A deduction at source certificate issued by the Income Tax Department or a decision on the rate specified pursuant to the Income Tax Law.

Article (72) Expenses of Durable Goods

Condition of the disbursement of expenses associated with procurement of durable goods:

1. Award decision or procurement decision issued by the procurement entity in accordance with the Law of General Supplies.
2. Purchase agreement.
3. Procurement order.
4. Receipt voucher issued by the agency authorised of receipt, in pursuance of the Law of General Supplies.
5. Entry voucher stamped by the Department of General Supplies, reflecting registration on the Register of Central Supplies.
6. Supplier invoice.

7. Warrants provided for under the Law of General Supplies.
8. A deduction at source certificate issued by the Income Tax Department or a decision on the rate specified pursuant to the Income Tax Law.
9. Payment of revenue stamps in accordance with the Law on the Fees of Revenue Stamps.
16. Bill of quantities of finalised works, signed by the supervising engineer.
17. A deduction at source certificate issued by the Income Tax Department or a decision on the rate specified pursuant to the Income Tax Law.
18. Payment of revenue stamps in accordance with the Law on the Fees of Revenue Stamps.

Article (73) Expenses of Public Works

Conditions of the disbursement of expenses associated with public works:

1. Award decision or procurement decision issued by the relevant agency in accordance with the Government Works Tenders Law.
2. Award decision or procurement decision on the purchase of technical services issued by the relevant agency in accordance with the Government Works Tenders Law.
3. Decision of the Technical Committee relating to the additional works and change orders in accordance with the Government Works Tenders Law.
4. Agreement on works or technical services.
5. Bill of quantities.
6. Commencement of work order.
7. Tender bond guarantee (bid guarantee).
8. Performance bond guarantee.
9. Performance bond guarantee for technical services.
10. Insurance policies required by the contract.
11. Maintenance guarantee (after implementation and before final payment).
12. Supplier invoice.
13. Payment certificate from the Technical Affairs Department.
14. Certificate of a laboratory testing of materials and asphalt for road tenders.
15. Report of the supervising engineer.

19. Execution of the necessary retentions in accordance with the contract terms and conditions.
20. Meet all conditions of payment and issue necessary receipt certificates before the final payment is made to the contractor, including his commitment to delivery dates, in addition to a certificate from him, stating that the amount of such claim represents the last payment and that he no longer has any entitlements under such contract.

Article (74) Supplier Invoice

For the purposes of this Regulation, the supplier/service provider invoice must include:

1. The original tax invoice or original invoice of the local dealer, indicating: the name and address of the supplier; number of the dealer; number of purchasing department; commodity/service statement; measurement unit; quantity; unit/piece price; total amount; discounts; payable amount in numbers and letters; and invoice data and issuer's signature, provided that the invoice entirely matches the data indicated in the award decision and procurement order.
2. The original clearing invoice issued by the supplier if the dealer is registered at the Israeli tax departments, and stamped by the Palestinian Value Added Tax Department.
3. The invoice issued by the Authority departments, including the necessary details in tandem with respective nature.
4. In case the commodity supplier or service provider is not bound to register at the Value Added Tax Department, the invoice shall be replaced by filling in the form approved by the Ministry, including: full name; identification number; address;

description of the service; delivery date; duration of work; date of payment request submission; signature of the person who submits the payment request; approval of the person authorised of expenditure; and a statement of subsidiary expenses, such as travel and transportation either in consideration of invoices or a lump sum, as agreed.

Article (75) Stamping the Clearing Invoice

1. The competent employee must stamp the clearing invoice at the Value Added Tax Department immediately after he receives it, to enable the Authority to redeem the tax amount; otherwise, he shall be held liable.
2. Any invoice with incorrect data shall be returned to the supplier as soon as the error is discovered in order to make the necessary corrections and sign it.
3. The invoice, the amount of which exceeds ILS 2,000 and for which a procurement order has not been issued, may not be paid except with the approval of the competent Minister.

Article (76) Impossible Submission of the Original Invoice

In extraordinary cases in which the original invoice cannot be submitted, the Minister may approve that its amount be paid upon a copy thereof, after making sure that:

1. The necessary examination of accounts has been conducted to make sure that the amount of the invoice was not disbursed earlier.
2. A written declaration is received from the supplier, stating that he did not receive its amount and expressing his commitment to return the amount, in addition to the interest, and to incur the damage caused to the department as a result of duplicate payment.

Article (77) Authorities of Financial Officers

1. The competent Minister shall set forth, based on the recommendation of the Director General of Financial Affairs, the authorities of the financial officers, who are assigned to disburse public funds,

prepare accounting entries, record in control books and records and central registers, and issue financial reports and statements, and who are authorised of opening, monitoring, closing and reconciling accounts. Separation of functions shall be taken into account.

2. Officers' authorities to access the accounting programme and implement the financial operations assigned to them by the competent Minister shall be set forth in accordance with a book to be issued by the Director General of Financial Affairs to the competent technical bodies. It shall be endorsed by the competent Minister.
3. In each department, the Director General of Financial Affairs shall develop, distribute, and maintain the job description card of each officer.
4. The Director General of Financial Affairs or the person whom he authorises from outside of the financial Departments shall control and monitor the authorized access of the officers to the programme to ensure consistence with their respective job descriptions.
5. The authorized staff members of the Internal Control Department, Internal Audit Department and State Audit and Administrative Control Bureau shall be allowed to access the accounting programme with a view to extracting statements and reports only. These shall be given a personal user name and number and shall be notified thereof in writing.

Article (78) Classification of Financial Officers

1. Financial officers shall be classified for the purpose of implementing the accounting operations as follows:
 - a) An authorised officer, who is given the authority to open and close accounts, to correct financial commitment entries, disbursal vouchers, or release vouchers.
 - b) A certified officer, who is given the authority to audit a financial commitment or endorse a disbursal voucher.

- c) A developing officer, who is given the authority to record a financial commitment or prepare a disbursement voucher.
2. Separation of functions shall be taken into account when a financial commitment is registered, endorsed, or paid under a disbursement voucher.
3. The Departments for which a financial controller is appointed by the Minister may not issue any voucher before it is audited and approved by such controller.

Article (79) Entry of Department Budget Line Items

1. After the Budget Law is promulgated, the Ministry shall enter budget line items of the Departments in the Ministry's accounting records.
2. The Ministry shall enter as advances the amount of the financial transfer disbursed to the Departments for the operating expenses.
3. Department advances shall be closed in accordance with the reports issued by the Internal Control Directorate.

Article (80) Recording Financial Orders of Current Expenditures

1. Departments shall record financial orders of current, capital and development expenditures in respective accounting records according to a journal voucher, with the financial transfer account as debit and all expenditure items stated thereon as credit.
2. The amount of the financial transfer received from the Public Treasury, which is allocated to cover the operating expenses run by the department, shall be recorded by issuing a journal voucher, with the bank account as debit and the financial transfer account as credit.
3. The Director General of the Budget must provide the Directorate of Salaries with the details of budget line items of salaries, wages, and employment structure schedules of all departments. The Directorate of Salaries shall be responsible for the control thereof.

Article (81) Recording Monthly Appropriations

The monthly appropriations, which continue to be spent in accordance with Article 4 of the Law because the Public Budget Law has not been promulgated prior to start of the new financial year, with a maximum limit of three months, shall be recorded in the same manner in which the annual budget is recorded.

Article (82) Using a Special Form for Supplier Accounts

1. Departments must use a special form to open accounts for suppliers and other entitled persons, including an original and a copy and recording thereon the account name and number, following the approval of the financial officer of the 'authorised' classification and verification that another account of the same person does not exist. The first copy of the form shall be sent to the accountant to open the account.
2. The supplier accounts opening form must include: the supplier's name and address; tax file number (licenced dealer/ identification card number); percentage of deduction at source if it applies to a year; and details of his bank account for the purposes of payment. Opening of the account shall be executed on accounting books and programmes.

Article (82) Financial Obligation Bond

Entry of obligations:

1. After a commodity is procured or a service is provided, the invoice shall be recorded under a financial obligation bond in four copies, with the expenditure item account that is appropriate for the budget as debit and the supplier's account as credit. The obligation bond shall include: the supplier's name; procurement order number; expenditure item and number; invoice number and date; quantity; unit and its price; total amount of the invoice; deduction rate; and net payable amount.
2. The first, second and third copies of the financial obligation bond shall be transferred, attached with a copy of the invoice, to the financial officer in charge of controlling allocations. After ensuring that allocations are available, he shall sign

it, refer the first and second copies to the officer who developed the obligation bond, and keep the third copy.

3. The financial officer (who prepared the bond) shall enclose the first copy of the obligation bond after it is signed by the financial officer in charge of controlling allocations, with the original invoice and other documents relating to procurement – after they are numbered – to the financial officer in charge of preparing disbursement vouchers.
4. The second copy shall be enclosed with the fourth copy of the bond and kept in a special file, arranged by its serial number.

Article (84) Disbursement of Expenditure

Disbursement vouchers:

1. Following the obligation bond, the expenditure shall be disbursed upon a decision from the competent authority under a disbursement voucher, supported by documents for the disbursement of the expenditure according to its type.
2. After making sure that allocations are available, the financial officer shall prepare the disbursement vouchers, complete any shortage thereon, and sort them into two groups: (1) those which are paid from the financial transfer received from the Public Treasury; and (2) those which are issued centrally by the Ministry of Finance.
3. The competent financial officer shall prepare a disbursement voucher for the expenditures disbursed from the financial transfer received from the Public Treasury, in four copies bearing serial numbers, with the supplier's account as debit and the name and number of the bank account as credit. It shall be supported by the expenditure liquidation documents stating: the full name of the entitled person; name and number of his bank account; expenditure item and its number; obligation bond number; a statement and nature of the payment; total amount; deductions/retentions; net amount; type of currency; date; and name and signature of the officer who prepared the voucher.
4. The officer shall enclose the first, second and third copies of the disbursement voucher with the financial obligation bond and

refer the same to the certified financial officer. He shall keep the fourth category in a special file, arranged in a sequential order.

5. After the disbursement voucher is approved, it shall be referred to the Director General of Financial Affairs or the person whom he authorises to view it, sign it, write down his full name thereon, and refer it to the Head of Department.
6. The disbursement voucher shall be signed by the Head of Department or the persons authorised by him. Signature on the voucher shall be deemed to be a testimony that the procedures have been duly conducted.
7. The disbursement voucher shall be referred to the internal controller, who must audit all contents and supporting documents of the disbursement voucher and its compliance with the financial laws and regulations.
8. In the event the controller discovers an error in the disbursement voucher, it shall be returned under a document return register, including a serial number, to:
 - a) The Director General of Financial Affairs or the person whom he authorises if the error is due to accounting operations.
 - b) The officer authorised of expenditure under a document return register if the error pertains to the name or value or violates the financial laws and regulations.
9. After the internal controller approves the disbursement voucher, he shall sign, write down his full name on, and stamp the voucher as well as relevant attachments with the stamp (Audited). He shall remit the disbursement voucher to the treasurer.

Article (85) Payment of the Expenditure

1. Expenditure shall be paid to the beneficiary after entitlement is established through:
 - a) A cheque.
 - b) Bank transfer.
 - b) Documentary credit.

2. Payment may be made by banknotes for payments the amount of which is not more than ILS 500.
3. Entitlements due to Departments that supply commodities or services shall take place by a bank transfer only.
4. The payment order shall be issued to the entitled person by writing down his name of at least three segments in the event he is a natural person, and by writing down the formal name of the juridical person in full.
5. Notwithstanding the provisions of the previous Paragraph, any amounts may be deducted from the entitlements of the entitled persons in the following cases:
 - a) Deduction of any taxes or fees imposed by a law.
 - b) Execution of decisions of courts or procedural departments, and payment of the deducted amounts to the agency set forth under such decisions.
6. The entitled persons shall be notified in writing of the amount of deduction and the agency to which it has been paid.
5. Sign the cheque or transfer of the category C and send it together with the disbursal voucher to the authorised signatories of the bank account to finalise signatures in the following manner:
 - a) Signature by the authorised signatory of the category B, if the amount of the cheque does not exceed one thousand shekels.
 - b) Signature by a third authorised signatory of the category A, in addition to the two previous signatures, if the amount of the cheque exceeds one thousand shekels.
 - c) The authorised signatory of the category A may sign in place of the authorised signatory of the category B. The authorised signatory of the category B may also sign in place of the authorised signatory of the category C.
 - d) No cheque may be issued unless it is signed by two authorised signatories.
6. The treasurer shall stamp the disbursal voucher as well as all the respective attachments with the stamp (Paid).

Article (86) Tasks of the Treasurer

The treasurer shall perform the following:

1. Ensure entry of the voucher in the general journal, and that it is signed by the person authorised of expenditure and approved by the internal controller.
2. After ensuring that a receipt order is prepared, including all deductions that are sorted by type, and that the bank account number and name are valid in case a transfer is issued, he shall issue a cheque or transfer with the net amount of the voucher in the full name of the beneficiary.
3. Prepare a cheque in the amount of deductions/retentions described on the disbursal voucher, enclosed it with the receipt order, and send it, after it is signed by the authorized persons, to the trusts accountant against receipt vouchers.
4. Record the cheque or transfer data in the disbursal voucher, sign it, and write down his full name and date.
7. The cheque shall be handed over to the beneficiary or the person whom he authorises in writing, after verifying his identity and his signature for receipt.
8. The total amount of the disbursal voucher shall be deducted automatically from the commitment balances and credit balances to the suppliers under a disbursal voucher, with the entitled supplier's account as debit and the bank account and deductions as credit.
9. Electronic signatures marked using the authorized access name and number within the automated accounting software must be combined with manual signatures.
10. The treasurer shall sort the disbursal voucher as follows:
 - a) Refer the first copy of the disbursal voucher and supporting documents to the accountant, who keeps the general journal.

- b) Refer the second copy to the Director of Financial Affairs to be enclosed with the monthly expenditure statement.
- c) Keep the third copy in a special file, arranged by its serial number.

Article (87) Issuance of the Journal Entry

The financial officer in charge of keeping the general journal must issue and reconcile a daily report on the general journal in three copies with the ledger account balance of allocations and supplier accounts, to ensure the deduction of obligations, validity of payments, and posting to subsidiary ledgers. He shall sign the report, write down his full name, and refer the first copy thereof – enclosed with the documents – to the disbursal voucher archive officer for safekeeping. He shall send the second copy to the accountant in charge of developing the monthly expenditure report and keep the third copy in a special file, arranged by date.

Article (88) Preparation of the Monthly Expenditure Report

1. The employee in charge of preparing the monthly expenditure report must extract the trial balance, including aggregates and balances, based on the general ledger in three copies. After ensuring that it is reconciled with the general journal, he shall prepare it in line with the form designated by the Ministry, sign it, and write down his full name. He shall send the first and second copy thereof – enclosed with the second copy of the general journal reports – to the financial officer in charge of bank reconciliation. He shall keep the third copy in a special file, arranged by date.
2. The financial officer in charge of bank reconciliation shall prepare the same in three copies, sign and write down his name. He refer the first and second copies thereof – enclosed with the first and second copies of the monthly expenditure report and second general journal report – to the Director General of Financial Affairs, who refer it, following approval, to the financial controller. The latter shall conduct the necessary checks, sign and stamp it with the stamp (Audited) and return it to the Director General of

Financial Affairs after keeping a copy thereof.

3. The first copy of the monthly expenditure and the first copy of the bank reconciliation shall be sent, after they are approved as mentioned above, during the first week of the ensuing month to the Public Treasury Department at the Ministry. The third copy thereof shall be sent – enclosed with the general journal reports – to the archive officer for safekeeping.

Article (89) Monthly Expenditure Report

1. The Public Treasury Department shall prepare, based on the monthly expenditure report which is approved by the internal controller and includes the authorised controllers' name, signature and seal, a journal voucher with the expenditure items as debit and the department's advance that is transferred in line with financial orders as credit. Its details shall be recorded in the central general ledger and it shall be posted to the central expenditure ledger.
2. The Treasury shall compare the data indicated in the report to the data received directly from the internal control.

Article (90) Disbursal of Expenditure Items

Disbursal of expenditure items managed centrally by the Ministry:

1. Procedures and entries at departments:
 - a) Certified financial officers at the department shall refer the financial obligation bond, which will be disbursed by the Ministry of Finance, following the review thereof, completion of all expenditure conditions, attachment of necessary documents and signature, to the Director General of Financial Affairs at the department.
 - b) The Director General of Financial Affairs at the department shall fill in the central disbursal order form in three copies, indicating: the department's name and number on the Public Budget; expenditure item; amount; currency; beneficiary's

name; and all data in the form. The officer authorised of expenditure shall approve and send the form to the Public Treasury Department.

- c) In the event the controller discovers an error in the central disbursement order, he shall issue and refer a document return register, bearing a serial number, to the Director General of the Treasury or the person whom he authorised to take one of the following actions:
- (1) Release a disbursement voucher in the correct amount if the error is due to the accounting operations.
 - (2) Return the central disbursement order to the officer authorised of expenditure at the relevant department, enclosed with the document return register, if the error is related to the name or value or contravenes the financial laws and regulations, to make the necessary corrections.
- d) The Public Treasury Department shall pay the amount of the central disbursement order, which is approved by the internal controller, in line with a disbursement voucher by means of a deduction from the financial orders issued to the department.
- e) The Treasury shall prepare a cheque or transfer to be issued to the entitled person.
- f) The Treasury shall deliver cheques and copies of transfers to department representatives who are authorised to receive the same to deliver immediately to treasurers at their departments.

Article (91) Delivery of Cheques

1. The cheque shall be delivered to the beneficiary directly or to the persons authorised on his behalf of delivery.
2. The Ministry shall deliver cheques of entitled persons and suppliers, which it issues directly from the Ministry's bank account by an authorisation from the relevant ministry in line with the central payment arrangements or the

Department of Designated Grants and Trusts to department representatives, who are authorised to receive them. These Departments shall audit and deliver the same to beneficiaries.

3. The Ministry shall send to the Departments a monthly report detailing all amounts paid in accordance with the previous Paragraphs, and stating the financial item and number.
4. A cheque drawn by the Ministry in line with Paragraph 2 above may be delivered to the beneficiary directly under a written letter issued by the Director General of Financial Affairs at the department.
5. The cheque which could not be delivered to the beneficiary within one year from the date of issuance – for any reason whatsoever – shall be cancelled. Its amount shall be entered as a trust in the beneficiary's name.
6. The Ministry shall manage a special register for indicating cheques returned by the Departments for the purpose of cancellation or adjustment. It shall record thereon the reason of return and the procedure taken by the Ministry.
7. The cheques which are cancelled shall be registered with reversed constraints from the basic spending constraints.

Article (92) Delivery of the Details of Salaries and Wages

1. At the beginning of each financial year, the Public Budget Department shall provide the Directorate of Salaries with the details of the Budget Law in relation to salaries, wages, and employment structure schedule of all departments. It shall also send a copy to the Public Treasury Department and the Internal Control Directorate.
2. The Directorate of Salaries must prepare and calculate salaries in accordance with the Budget Law and relevant classifications, employment category schedule, and scale of salaries and increments.
3. On a monthly basis, the Directorate of Salaries shall, after calculation of payable salaries, prepare a salary and wage

disbursal order in three copies, to be enclosed with the bank account names and numbers of the entitled persons. These shall be distributed by banks or detailed by the name of department or respective expenditure unit. It shall send the first copy to the Public Treasury Department and the second copy to the Internal Control Directorate and shall keep the third copy in a special file.

4. The Treasury shall pay the net salary after necessary deductions are performed. These shall be recorded in a journal voucher, with the expenditure items of salaries, wages, and derivatives for each department separately, in the total amount of calculated salaries including deductions, as debit, and with the bank account and deducted trust accounts as credit.
5. The Ministry of Finance shall pay the deduction trusts to beneficiaries on a monthly basis under disbursal vouchers, with the deducted trust accounts as debit and the bank account as credit.
6. On a monthly basis, the Directorate of Salaries shall notify each department of deductions entered on their budget line items, which pertain to salaries and wages after disbursement.
7. Departments shall record payment of relevant personnel's salaries under a journal voucher, with the expenditure items of salaries, wages, and derivatives in total value, as debit, and the financial transfer account as credit.
8. January salaries payable to personnel on the first of January of the next year shall be charged on the ending financial year account under the voucher dated 31/12.
9. The Internal Control Department at the Ministry shall finalise the monthly audits of salaries, including both civil and military, prior to the twenty fourth day of each month and for the previous month.

Article (93) Prohibition to Change the Accounting Entries

No change may be made in the accounting entries on the general journal, whereby it leads to cancellation of a financial operation by deleting or concealing it. An error shall only

be corrected by a journal voucher and by an authorized financial officer.

Article (94) Endorsement

1. Governmental cheques shall not be subject to endorsement and shall only be issued to the first beneficiary.
2. The phrase (Paid to the first beneficiary only) must be printed on the cheque, which is managed by a computerised system.
3. The department which issues a manual cheque must stamp it with the phrase (Paid to the first beneficiary only).
4. Governmental cheques shall be issued crossed if they are issued to another government department or to a juridical entity.
5. Crossing may be deleted when the cheque is intended for saving liquidity in the Petty Cash Advance Fund, provided that its amount does not exceed ILS 2,000.
6. Each form addressed to the bank, requesting the printing of cheque books shall be signed by an officer authorised of expenditure as well as by the Director General of Financial Affairs at the department.

Article (95) Printing Cheque Books

Cheque books shall be printed to be used by government departments, comprising an original and a stub and a carbon copy. The original shall be delivered to the beneficiary. The stub shall be kept for the purposes of bank reconciliation and monitoring accounts at the financial department in a special file, arranged in the sequence of cheque numbers. The carbon copy shall be kept together with the disbursal voucher.

Article (96) Suspension of Cheque Disbursement

1. In the event the beneficiary notifies the department in writing of the cheque loss, the department shall, after it ensures that its amount was not charged on the drawee bank account to date, demand that the bank suspend disbursement of the cheque through the "Request to suspend disbursement of cheques" form

in two copies, signed by an authorised signatory of category A.

2. The department shall enclose the second copy which is signed by the bank together with the stub of the cheque that was lost and suspended. It shall indicate on the cheque stub the word "Suspended" along with the form number.
3. The amount of the suspended cheque shall be recorded under a journal voucher, with the bank account of undisbursed cheque accounts as debit and the current account of lost cheques as credit.
4. A replacement cheque shall be issued after the beneficiary signs a pledge, stating that he does not cash the lost cheque and will return it to the department if he finds it later.
5. The new cheque shall be charged on the account of lost cheques. The stub of the lost cheque, suspension request form, and the pledge signed by the beneficiary shall be enclosed therewith.
6. In cases where the department is certain that the cheque which it issued did not reach the beneficiary, it shall have the right to issue a replacement cheque in accordance with the provisions above.

Article (97) Request for Suspension of a Cheque

In cases where the processing of which requires the suspension of disbursement of a cheque, the bank shall be requested to suspend it using the "Request to suspend disbursement of cheques" form. After the bank's confirmation of the suspension request is received, it shall be cancelled by reversing its disbursement entry and enclosing the cheque stub with the stubs of disbursed cheques, by indicating the cause of suspension, number of journal voucher of the cancellation, and notification of the beneficiary thereof.

Article (98) Cancellation of the Cheque

1. If a cheque is cancelled for any reason, it shall be stamped with the stamp (Cancelled) and shall be enclosed with the disbursed cheques.
2. The bank may not be requested to disburse any cheque that was suspended.

The amount of the suspended cheque shall not be paid unless a new cheque is issued.

Article (99) Preparation of a Cheque Statement

1. For the purposes of performing bank reconciliations, a statement of cheques issued on account but which have not been drawn from the bank (cheques issued, but not paid yet) shall be prepared at the beginning of each month, and must the cheque date, number and amount, and a reference to all cheques issued six months earlier. The statement data are ascertained by reference to the stub of cheques that have not been paid yet or through the accounting software.
2. Cheques which are not presented for disbursement within six months as of their issuance date shall be charged on the bank account to the account "trusts of cheques not presented for withdrawal".
3. When the validity of a cheque the amount of which has been charged on "trusts of cheques not presented for withdrawal" is extended, the amount shall be charged on the aforesaid account to the bank account.
4. The Director General of Financial Affairs or the person whom he authorises shall sign the account of "trusts of cheques not presented for withdrawal".
5. In exceptional cases where it appears that a cheque will never be disbursed, it must be cancelled from the bank account and charged to the expenditure account, on which it was originally charged if it had been issued during the current financial year, and to the account of other revenues if it had been issued in previous years, along with a statement of the reason and approval of the competent Minister.
6. If it appears at the end of the financial year that balances are available in the "trusts of cheques not presented for withdrawal" for cheques issued in the previous financial year, their balance shall be closed by charging them to the account of other revenues, without any consideration of the reason for which the cheque was not presented for withdrawal.

7. A clarification form shall be completed for cheques, the amounts of which are charged to the account of other revenues, by indicating the reason for charging them to revenues. The number of their entry shall be written down, enclosed with the cheque stubs, and kept in the file of the stubs of disbursed cheques.
8. The department shall monitor undisbursed cheques and verify the reasons that prevented the presentation thereof for disbursement.
9. Upon a decision from the minister, a cheque which has already been charged to the account of other revenues may be paid by issuing a new cheque on the proper budget line item account in the year in which payment takes place.
10. Authorised signatories shall be empowered to extend the validity of cheques for six months only as of their expiry date.
11. Any change or correction in the cheque number, account number, amount, currency, or beneficiary name shall be totally prohibited for any reason whatsoever.

Chapter VII: Advances

Article (100) Advances

1. Advances are the payments or amounts definitively disbursed in advance before the service is received, assignment completed, or commodity procured. Its amount shall be set on the basis of the work required to be completed or obligation required to be met. Documents shall be exhibited to support disbursement.
2. The advance shall be issued after verifying that allocations are available for expenditure item(s), on which it will be charged.
3. The advance shall not be disbursed except upon a decision from the competent authority as per with the authorities identified under this Regulation.
4. Advances may not be used for a purpose other than that for which it was issued.

Article (101) Permanent Advance

1. Permanent advance (petty cash fund): The advance which is disbursed in the name of the employee assigned to cover recurrent petty expenses of small amounts, which are required by the nature of the department's work for payment of expenses only. It may not be used to collect revenues. The fund shall be replenished with cash from the bank account designated for expenditures.
2. Temporary advance: The advance which is disbursed in the name of an agency or employee who is assigned to perform an assignment, purchase a commodity or service, or meet expenditures of a specific nature, such as:
 - a) Training fees; fees of subscription to journals, magazines, or professional organisations; contributions to local, regional, and international organisations and unions; and refunded insurances.
 - b) The advance disbursed on the account of an official work assignment in accordance with the Regulation on the Allowances of Official Travel Assignments.
3. Special advance: The advance which is disbursed to a supplier or external agency for a final implementation of a contract or written agreement.
4. The petty cash fund custodian may never disburse any amount in excess of ILS 200 except upon the approval of the competent Minister, provided that such payment does not exceed ILS 500. A payment may not be partitioned with a view to allowing disbursement from the petty cash fund.
5. The competent Minister must open a bank account in the name of the petty cash fund custodian, in addition to his function, in the event the amount of the petty cash advance is more than ILS 2000. The minister shall be thus notified.
6. The department must ensure the safekeeping of the petty cash fund.
7. The Director General of Financial Affairs at the department must specify the

disbursement items, which can be paid from the petty cash fund, as well as the maximum limit of each item in accordance with the issued financial orders.

Article (102) The Petty Cash Fund

The petty cash fund shall be definitively established annually upon a decision from the competent Minister based on an application submitted to him by the Director General of Financial Affairs, indicating: the reasons that require its establishment, the required amount, and the name of a tenured employee to receive its trust. The fund shall be established as follows:

1. Upon a decision from the competent Minister if its amount does not exceed ILS 5,000.
2. Upon a decision from the Minister based on a recommendation of the competent Minister if its amount exceeds ILS 5,000, but does not exceed ILS 20,000.
3. The Minister or competent Minister may increase or reduce the amount set for a petty cash fund during the year if he deems it necessary.
4. The petty cash fund custodian may not disburse any payment that exceeds ILS 200 in cash except upon the approval of the competent Minister, provided that such payment is not more than ILS 500. A payment may not be partitioned with a view to allowing disbursement from the petty cash fund.
5. The competent Minister must open a bank account in the name of the petty cash fund custodian, in addition to his function, in the event the amount of the petty cash advance is more than ILS 2,000. The minister shall be thus notified.
6. The department must ensure the safekeeping of the petty cash fund.
7. The Director General of Financial Affairs at the department must specify the disbursement items, which can be paid from the petty cash fund, as well as the maximum limit of each item in accordance with the issued financial orders.

Article (103) The Petty Cash Fund Custodian

1. The petty cash fund custodian shall be absolutely governed by the Regulation on Guarantees. He shall be personally responsible for the validity of the disbursement operations, fulfilment of the expenditure disbursement conditions, and the attachment of supporting documents.
2. On a permanent basis, the full amount of the petty cash advance, either in cash, stamps or paid disbursement vouchers, must be available in the petty cash fund.
3. Funds shall be delivered to the petty cash fund custodian by issuing a cheque to his order from the bank account of the department's expenditure. These shall be registered as a personal liability due by him.
4. When the amounts disbursed from the petty cash fund are replenished, the amount of replenishment shall be charged on the account of expenditure items.
5. The Director General of Financial Affairs must conduct an abrupt audit of the fund at least four (4) times in accordance with a Fund Abrupt Audit Minutes to be prepared in due form.

Article (104) Disbursement of Advances

1. Disbursement of advances shall be subject to the laws, regulations, and instructions on the disbursement and control of general expenditures. The petty cash fund custodian shall be deemed to be personally responsible for any shortage, negligence, or impingement on such laws, regulations, and instructions.
2. The competent Minister shall designate at least two employees at the department, so that one of them signs with the custodian on the bank account of the petty cash fund advance.
3. When a deficit in the petty cash fund is detected, the custodian must notify his immediate manager and internal controller. The custodian shall be liable for the amount of any deficit therein.
4. When an excess in the petty cash fund is detected, the custodian must notify his line manager and internal controller. The

custodian shall charge the excess thereon to the trust account of the fund excess. In case he is not able to detect their causes within a week from the occurrence of the excess, it shall be treated as revenues. The competent Minister and Public Treasury Department shall be notified in writing by a letter, to be attached with the first copy of the receipt voucher issued by the agency authorised of receiving the revenues.

5. Overdrafts may not take place from the bank account opened for the petty cash fund management.

Article (105) Keeping the Journal

1. The petty cash fund custodian must keep the journal of the petty cash fund account management. Each page of the journal shall consist of an original and two copies.
2. Payment from the fund shall be in accordance with the following procedures:
 - a) A subsidiary payment voucher, including an original and a copy, shall be prepared. It shall be enclosed with a supplier invoice for each purchase of a commodity or service, stating thereon: name of the beneficiary; invoice number; payment statement; payment item; payment method; and cheque number and date against a receipt voucher from the payment recipient or his signature on the invoice, stating receipt of the amount.
 - b) The cheque stub must indicate: name of the beneficiary; amount; date; payment statement; and invoice number.
3. Following each payment, the payment voucher data shall be recorded in the petty cash journal.
4. At the end of each business day, all paid vouchers shall be cleared in order to reconcile them with the petty cash balance. On the penultimate business day of each month or at the request of any replenishment or payment of any advance, he shall delete uncompleted lines on the page used in the journal. He shall record the total expenditures and cash or bank balance in the designated box and

sign the same. He shall send the first and second copies to the Director General of Financial Affairs at the department.

5. The Director General of Financial Affairs at the department shall endorse the first copy of the journal, to confirm having audited and admitted the expenditures and the utilisation and the nonexistence of administrative violations thereon. He shall refer the first copy, enclosed with documents, to the accountant to develop a payment voucher of the amount of replenishment. He shall also refer the second copy to the financial officer in charge of conducting the bank reconciliation.
6. In the event the Director General of Financial Affairs does not approve any payments implemented by the petty cash fund, he shall refer them to the internal controller for settlement.

Article (106) Delivery of the Full Balance of the Amount

The petty cash fund custodian shall pay the advance as follows:

1. He shall deliver the full balance of the unpaid account under a subsidiary payment voucher against a receipt voucher from the main fund in his name. He shall deposit the amount of the receipt voucher or cheque in the bank account of the department expenditures. It shall be treated as the expenditures which are refunded in the same year.
2. He shall hand over the issued vouchers to the Director General of Financial Affairs, who shall prepare for the amount of appropriations a journal voucher, with the expenditure items as debit and the name of the petty cash fund custodian as credit.

Article (107) Temporary Advances

1. The temporary advance shall be delivered as soon as the assignment is performed, commodity or service purchased, or the purpose for which it was paid ends.
2. The temporary advance paid to the employee shall be deducted from his salary in the event it was not repaid.

3. A temporary advance may not be paid to an unclassified employee except upon approval of the Minister.

Article (108) Opening a Subsidiary Ledger

1. A special subsidiary ledger shall be opened at the department, on which all paid advances shall be entered.
2. The employees, whose services are terminated either by retirement on pension, abandonment of service, resignation, or dismissal, must obtain a deed of release from the Ministry.

Article (109) Payment of Special Advances

The special advance shall be paid in tandem with the following procedures and conditions:

1. The maximum limit of payment issued prior to the commencement of work may not exceed 30 per cent of the total amount of the contract.
2. No payment may be issued in advance except after the signing of the agreements and issuance of the procurement orders by the authorised agency in accordance with the relevant legislation or regulations as well as after having received the guarantees provided for under the contract.
3. When the procurement of supplies is partitioned, advanced payments shall be issued as if each procurement order represents an independent agreement. At the time of clearance, the advanced payment shall be deducted from the amount of the procurement order.
4. An agreement may not be made to disburse an advance to purchase commodities or service of general use except upon the approval of the Minister.
5. Special advances shall be paid in accordance with the terms and conditions of the contract, which regulate them.

Article (110) Payment against the Value of Completed Works

1. The amount of all contract payments shall be specified, provided that the final payment is not less than 10 per cent of the total amount.

2. The final payment may not be issued except after the work in full is completed and received in due form.
3. Payments must be associated with the value of the completed works together with the estimated deadlines for completing the work.
4. At the time of the final clearance, disbursed payments shall be deducted from the total amount of the contract.

Chapter VIII: Trusts and Guarantee Bonds

Article (111) Trusts

1. Trusts shall be the amounts either received or deducted as a deposit to the account of the entitled persons or to disburse them for a certain activity. Received trusts shall be charged by the department to the account of a third party in the trust account.
2. The receipt, keeping and payment of trusts shall be subject to the provisions of this Regulation.
3. Guarantee bonds shall be the amounts which persons pay to department in particular cases to guarantee the Treasury rights due by a third party. The receipt and payment thereof shall be subject to the respective legal provisions.

Article (112) Transfer of Monetary Grants, Subsidies, Offers, and Donations

1. Monetary grants, subsidies, offers and donations, which are presented to any department by a third party in accordance with agreements with governments, institutions, or external agencies, shall be transferred to the Ministry of Finance. They shall be entered as a trust at the Ministry of Finance in the name of such department. The method and procedures of their receipt, entry, control, and payment shall be subject to the provisions of this Regulation, unless the agreement provides otherwise.
2. Unused amounts which are allocated in the trust accounts mentioned under Paragraph 3 of the foregoing Article shall

be transferred to the general revenue account two years following the expiry of the agreement. The Minister may return them to the donor in the event it thus requests.

3. The department shall provide the General Accounts Department at the Ministry with a monthly report on all types of trust accounts in its possession. It shall be enclosed with the bank reconciliation report.

Article (113) Division of Trusts

Trusts shall be divided into:

1. Allocated trusts: These are the amounts allocated for spending on a particular activity or a specific purpose.
2. Salary deduction trusts: These are the amounts deducted from salaries in accordance with the legislation or regulations in force.
3. Trusts of public and private Departments and institutions and individuals: These are the amounts deducted, referred, or maintained to the agencies entitled thereto, which arise from any laws, agreements or commitments. The department must observe the following:
 - a) Open a trust record, in which it records trusts based on their purposes, types, amounts, numbers of receipt vouchers, and names of entitled persons.
 - b) The procedural officer must open a trust record for procedural cases as follows:
 - One or more page(s) shall be designated to the account of each procedural case.
 - The number of cash shall be entered beside the account as well as on the receipt order and receipt voucher.
 - The case number, receipt voucher number and date, and procedural cases account number shall be indicated in the payment voucher when the trust is paid.

- The payment voucher shall be prepared at the Financial Unit of the regular court. It shall be included in the trust record, audited, and its payment approved by the authorised officers at the court.

- A bank account shall be opened for court trust, for which payment vouchers issued by such court shall be paid.

- The court trust account shall be replenished from the trust account at the Ministry based on a written request from the president of the competent court.

4. Other trusts shall include received amounts of unknown sources, amounts received in excess from various agencies, or amounts of cheques not presented for withdrawal during the designated period to the trust account. The receipt and payment thereof shall be subject to the provisions of this Regulation.

Article (114) Opening Trust Records

1. The department must open records for the allocated trusts in parallel to records opened at the Ministry. These shall be provided with the names of officers authorised of expenditure and samples of their signatures.
2. The department must provide the General Accounts Department at the Ministry with a copy of the financial and periodic reports, which it submits to donors according to expenditure items. It shall be supported by a bank statement of the subsidiary account, which was opened in the name of the department.
3. The General Accounts Department at the Ministry must conduct a periodic reconciliation every three months between trust balances entered on its records and in the departments' records.

Article (115) Transfer of Trust Balances

1. Balances of allocated trusts shall be transferred after two years from the date on which they were charged to the General Revenue Account. The Minister of Finance may, in particular cases, transfer

- them after one year from the date on which they were charged.
2. The Minister of Finance may refund the trusts received by the General Revenue Account to the entitled persons in case of justified reasons.

Chapter IX: Management of Cash Assets

Article (116) The Agency in Charge of Managing Cash Assets

1. The Ministry shall be the agency in charge of managing cash assets in the Consolidated Treasury Account and General Revenue Account.
2. Departments shall be responsible for distributing their monthly appropriations earmarked in the budget to the relevant expenditure units on the basis of their appropriations.
3. Department appropriations may not be transferred to the respective bank account designated for expenditures, except after the relevant expenditure programme is approved by the Ministry.
4. Departments must provide the Ministry with the monthly expenditure report based on the amount of the issued financial orders no later than the end of the first week of the ensuing month. The Ministry must verify the validity of the data.
5. The department disburses allocations within the cash balances transferred by the Public Treasury.

Article (117) The Public Treasury Department

The Public Treasury Department at the Ministry shall perform the following:

1. Set the monthly financial limit for the Departments in consistence with the amount of the issued financial transfers.
2. Replenish the departments' expenditure bank accounts with the necessary funds for spending on their various projects, and repay cash obligations from the appropriations maintained in such transfers.

3. Control the cash flow of the Public Budget revenues and expenditures, in addition to the trust accounts and advances on a daily basis. It shall also develop the monthly report on the Authority accounts, analyse the actual cash flows, submit the necessary proposals and recommendations thereon, and follow up on the supply of liquidity to meet spending on the Authority's commitments.
4. Develop the monthly Treasury plan, control the projected cash flows, and describe the relevant results.
5. Develop the monthly report on the financial position of the Consolidated Treasury Account and treat cash deficit through the available financial resources.
6. Follow up on the cash, technical and in-kind grants, and subsidies flowing into the Consolidated Treasury Account from various agencies.
7. Follow up on loan drawings and repayment, and ensure timely monitoring of the collection of the redeemed loan instalments and interests.
8. Provide necessary entries to the Treasury Account and keep the following records:
 - a) General journal.
 - b) General ledger.
 - c) Subsidiary ledger of trusts and advances.
 - d) Public Budget appropriations control record.
9. Keep trust/grant accounts.
10. Develop the Ministry's bank account reconciliation report as well as the Consolidated Treasury Account at the end of each month.

Article (118) Monthly Financial Position

1. For the purposes of setting the amount of the financial orders, the Departments must provide the Ministry with the monthly financial position of their expenditures using the form designated by the Ministry.
2. Each department must appoint a representative thereof to report to and

coordinate with the Ministry to provide it with the financial position, financial transfer, and any other information.

Article (119) Opening Cash Accounts

1. Departments may not open a bank account except upon approval of the Minister and after completing the "Application for Opening a Bank Account".
2. After the bank account is opened, a book account shall be opened against the bank account on the account classification structure.

Article (120) Budget Advances

1. The bank account allocated for the expenditures funded by the Public Treasury based on the financial transfer (budget advances): The department operating expenses advance shall be maintained and managed through a bank account, to which expenditure advances flowing from the Treasury shall be transferred. The Ministry shall open the account at the request of the competent Minister, stating thereon the names of the authorised signatories.
2. Allocated trust/grant account: When a special bank account is opened for managing financial operations of a special nature, which require management of a separate account, or which take place based on agreements with donors, the procedures prescribed under the previous Paragraph shall be implemented.
3. Foreign currency bank accounts: The Minister, at the request of the competent Minister, may open an account in a currency other than that of the budget for the department, whose nature of work requires that it deal with such currency in a permanent manner. The Minister shall set the types of operations allowed to be executed through such account.
4. Documentary credits: Documentary credits shall be opened based on a letter addressed by the Minister to the bank, at the request for approval of opening a documentary credit which is sent to him by the competent Minister, attached with all documents pertaining to the expenditure.

Article (121) Bank Reconciliation

1. Bank reconciliation of all bank accounts of the department shall take place at the end of each month.
2. Reconciliation shall be conducted by comparing data on the bank account statement to data on the department's records. Differences shall be shown.

Article (122) Purpose of Preparing the Bank Reconciliation

The monthly bank reconciliation of revenue accounts shall be prepared with the aim to:

1. Identify any entries that the bank has recorded while they are not recorded in the General Revenue Account on the general ledger, and then follow up with the bank to record them.
2. Detect recording errors in each bank entry and department entry and address such errors and reflections on various accounts, including taxpayer accounts.
3. Develop the monthly report on revenues, reflecting the amount of revenues collected over the month by the department.

Article (123) Preparing Detailed Statements

In the event amounts without corresponding entries exist, comprehensive, detailed statements shall be prepared thereof in the following manner:

1. The amount entered by the bank as debit in the general revenue account of such revenue on the general ledger.
2. The amounts entered by the bank as credit in the bank account statement, for which a corresponding entry does not appear in the general revenue account of such revenue on the general ledger.
3. The amounts entered by the department as debit in the general revenue account of such revenue on the general ledger, for which a corresponding entry does not appear on the bank statement.
4. The amounts entered by the department as credit in the general revenue account of such revenue on the general ledger,

for which a corresponding entry does not appear on the bank statement.

Article (124) Recording Unrecorded Entries

After various entries that are unmarked either on the bank account statement or on the Treasury account are identified, the competent financial officer shall perform the necessary measures to record the unrecorded entries, which must be recorded in the general revenue account of such revenue on the general ledger. He shall also carry out the necessary measures to correct errors, if any, including reporting to the bank when needed.

Article (125) Reasons of Unmatched Bank Accounts of Expenditures

The difference between the balance in the bank statement and the balance in the general ledger on the same date is a result of cheques that were not presented for disbursement or entries recorded in and/or to the bank account by virtue of either the department records or the bank records, or both.

Article (126) Steps to carry out the Bank Reconciliation

Bank reconciliations shall be implemented through the following steps:

1. The amounts that appear on the creditor side of the bank account shall be reconciled with the amounts entered on the debtor side of the bank account in the general ledger, as well as the outstanding amounts of the previous bank reconciliation, if any.
2. The amounts that appear on the debtor side of the bank account shall be reconciled with the amounts entered on the creditor side of the bank account in the general ledger, as well as outstanding amounts of the previous bank reconciliation, if any.
3. Cheque amounts and numbers (or deposit slip number) shall be reconciled together and reflected by placing a distinctive mark on the corresponding amounts in each of the bank statement and bank account in the general ledger. Reconciliation shall include auditing the cheque number or deposit slip number recorded in the bank account in the general ledger with the amount indicated in the bank statement.

4. Statements of the amount without corresponding entries shall be prepared as follows:

a) The amounts which appear on the bank statement, but do not have a corresponding entry on the bank account in the general ledger. These are:

- a. The amounts which were entered at the bank for the Ministry, but which were not entered on the bank account in the general ledger.
- b. The amounts which were paid by the bank at the account of the Ministry, but which were not entered on the bank account in the general ledger.

b) The amounts recorded in the bank account in the general ledger, but which do have a corresponding entry in the bank statement. These are:

- a. The amounts which were entered on the bank account in the general ledger as expenses, but which did not appear in the bank statement (drawn cheques, which were not presented by beneficiaries to the bank for disbursement).
- b. The amounts which were entered on the bank account in the general ledger "deposit", but which did not appear in the bank statement.

5. The bank reconciliation shall be prepared in accordance with the following formula and provided that both sides are equal:

The debtor side:

The bank account balance in the general ledger on the last day of the month, in addition to:

The total value of drawn cheques which were not presented for disbursement.

The total value of the amounts which were entered at the bank to the Ministry's account, but which did not appear in the bank account in the general ledger.

Less:

The total value which was entered at the bank on the Ministry's account, but which did not appear in the bank account in the general ledger.

= The balance =

The creditor side

The bank statement balance on the last day of the month.

Plus:

The total amounts which were entered at the bank on the department's account, but which did not appear in the bank account in the general ledger.

The total amounts which were deposited at the bank for the department's account, but which did not appear in the bank account

Less:

The total value of drawn cheques which were not presented for disbursement.

= The balance =

Article (127) Bank Reconciliation Standing Entries

Bank reconciliation standing entries in the expenditure accounts shall be tracked during the ensuing months as follows:

1. By referring to the origin of each amount entered on the department books, but which were not entered on the bank books based on the department's files and records. The bank shall be contacted to inquire about the reason for not having entered them on time and to verify whether they have been entered on the bank books over the subsequent period.
2. By timely contacting the bank to verify whether they have been entered on the bank books but not entered on the department books. The bank shall refer to the origin of each amount and provide the department with adequate statements and documents relating to such entries in order to prepare the accounting entries at the department.
3. If it appears that a standing entry, either on the bank account in the general

ledger at the department or on the bank statement, is a result of an error, the entry shall be reflected on the same book in which the error occurred.

Article (128) The Assignment to Carry out Reconciliation

1. The assignment to carry out the bank reconciliation shall not be assigned to the officer who is responsible for signing cheques or who is authorised to approve payment or receive revenues, the treasurer, or the officer who is responsible for depositing in bank accounts, transfers, delivery of cheques, or preparing accounting entries.
2. The Director General of Financial Affairs must monitor the differences on the bank reconciliation form, complete the authentication and correction entries, claim from the bank in writing any payments unrecorded on the bank statement, and rectify entries on his records.
3. An endorsement of the validity of a bank account balance may not be sent except with the signatures of two employees, provided that one is the Director General of Financial Affairs and the other is the authorised signatory of the account.

Article (129) Submitting Bank Reconciliation Reports

1. Every section that manages a bank account shall submit to the Director General of Financial Affairs on the third of each month a bank reconciliation report on each account for the previous month.
2. The Director General of Financial Affairs must make sure that bank reconciliations of all accounts are received during the allotted period.
3. The Director General of Financial Affairs shall send copies of the bank reconciliation reports to the internal controller no later than the sixth of each month.
4. The Director General of Financial Affairs shall submit the bank reconciliation reports to the competent Minister once every three months for all bank accounts as follows:

- a) A report on the expenditure accounts, including the bank account balances in the central account of the department and in the bank accounts of the branches. An indication must be made that the balances match the balance of the total amounts transferred to the Ministry following deduction of the expenditures.
- b) A report on the collected revenues which are deposited in the revenue bank accounts.
- c) A report on the bank accounts opened for the management of the petty cash fund.

Article (130) Closing the Bank Account

1. The Minister shall close any bank account at the request of the competent Minister, stating thereon the reasons of closing the account. It shall be enclosed with a bank reconciliation report.
2. Copies of the request for closing [the bank account] shall be sent by the Minister – immediately – to the bank and to the Public Treasury Department and internal controller of the responsibility centre. Any operations on the account to be closed shall be halted.
3. The account shall not be closed and accounts shall not be written off on the department structure and/or by virtue of bank records unless after verifying that its balance has been cleared.
4. In cases where the Ministry deems it necessary to close any bank account, he shall send copies of the request for closing the bank account addressed to the bank, to the competent Minister and to the Public Treasury Department and Internal Control Directorate.
5. The Ministry shall conduct a survey of all banks operating in the territory of the Palestinian Authority once every three months to list the accounts of the departments, and make sure that every new account has been opened in accordance with the provisions of this Regulation and that each account requested to be closed is closed.

Chapter X: Closing the Financial Year

Article (131) Presenting Payments of the Financial Year

1. On 31 December of each calendar year, all payments of the financial year shall cease.
2. All balances in the petty cash fund advance accounts and temporary advances, the purpose of which has expired, shall be redeemed and deposited in the expenditure bank account no later than 31 December of each year.
3. All Departments must transfer all book balances which are unused in the expenditure bank accounts (with the exception of the grant account balances) as they are on 31 December on the expiring year's budget account.
4. The salaries of December shall be charged on the expiring year's budget account.
5. Allowances which were not disbursed during the financial year shall be cancelled – by default.

Article (132) Recording all Obligations

Before preparing December reports, the Department must record and post all obligations which were not entered for any reason whatsoever, including all effective obligations. For such purpose, obligations, such as agreements and procurement orders, shall be recorded based on a journal voucher, with the effective obligations as debit and supplier accounts as credit.

Article (133) Copies of the Obligations

1. When obligations are listed, two copies thereof shall be prepared. These shall be aggregated according to budget line item details, indicating the relevant details: name of the supplier or beneficiary, account, and nature of the obligation (agreement, procurement order, etc.).
2. Departments must notify the respective expenditure units to provide the Director General of Financial Affairs with the original copy of the obligation balance statement for each budget line item, enclosed with the obligation bonds.

Article (134) Obligation Bonds

1. Obligation bonds listed on the obligation balance statement shall be deemed to be a basis for recording and payment over the next year. They shall be given priority and entered on the accounting records of the current year based on a journal voucher, with the expenditure items as debit (name and number of the account of the new financial year's budget) and the effective obligations from the preceding year as credit.
2. After December operations are recorded and posted, balances in asset and liability accounts, including supplier accounts, shall be transferred to the accounts of the new financial year after having adjusted their numbers in line with the account classification structure of the new financial year.

Chapter XI: Government Debt Management

Article (135) Prohibition of Borrowing

1. Departments may not borrow, overdraw, or use any loan for purposes other than those for which borrowing was made, except upon a prior approval from the Council of Ministers based on the Minister's recommendation.
2. The Minister shall be the authorised signatory on the loan agreements of the Palestinian National Authority. The Ministry shall manage and follow up on the governmental debt.
3. The governmental debt may be paid prior to its final maturity date in the following cases:
 - a) If the debt agreement provides for the satisfaction thereof on optional dates.
 - b) If the satisfaction thereof realizes savings for the department, including its principal or interests.
 - c) If the satisfaction thereof is for the purpose of obtaining another loan with a lower cost.
4. The Ministry, upon the approval of the Council of Ministers based on the

Minister's recommendation, may obtain internal or external loans for the purpose of relending them in accordance with the agreements on lending to Departments or institutions.

Article (136) Government Debt Management

The Ministry shall manage government debt in accordance with the following procedures:

1. Examine and present draft loan agreements to the Minister.
2. Make sure that all correspondences relating to the agreement are complete and the Council of Ministers' approval is obtained.
3. Record financial data of the agreement on the loan record in terms of: interest rate, payment conditions, project name, and commissions if any, along with the loan capital and interests schedule until the end of the loans.

Article (137) Requesting the Authority's Guarantee for Loans

1. If any agency requests the Authority's guarantee for any loan or loan bond, the Ministry must – before approving of the guarantee – examine the financial position of the department that wants to borrow with a view to ensuring its capability of fulfilling its obligations. The borrowing department must present periodic quarterly reports to the Ministry on its financial position and final accounts.
2. Before the guarantee of any agreement is approved, the Ministry shall perform the following:
 - a) Examine the financial position of the borrowing department.
 - b) Examine the draft agreement to be guaranteed from a financial and a legal perspective.
 - c) Address the Council of Ministers to obtain its approval of guaranteeing the agreement.
3. Each department, whose loan is guaranteed by the Authority, must provide the Ministry with the following:

- a) A copy of the concluded agreement.
- b) Payments on the agreement.
- c) Withdrawals on the agreement.
- d) Presentation of financial statements on its financial position and final accounts.

Article (138) Re-lending Loans

When re-lending loans, the Ministry shall carry out the following procedures:

1. Examine the agreement from the legal and financial perspectives.
2. Record all financial data on the re-lending record in terms of: amount of the loan, repayment conditions, project name, project purpose, interest rate, and schedule of instalments and interests.
3. Create a special file for the agreement, including: all correspondences relating to the re-lending agreement and the approval decision of the Council of Ministers.

Chapter XII: General Provisions

Article (139) Delegation of Powers

The Minister and competent Minister shall be entitled to delegate, in writing, any of their powers provided for under this Regulation, to one or more employee(s) of the employees of the first category at their departments.

Article (140) Prohibition of Rectifying Errors

1. No change, adjustment, transference, or addition may be made in any form whatsoever to any accounts, documents or financial records. Errors may not be rectified except in accordance with the accounting reconciliation entries.
2. The Ministry must ensure the execution of all controls related to the automated accounting systems in accordance with the provisions of the Paragraph above. It must ensure posting of accounting statements automatically to respective accounts on the subsidiary ledgers and the general ledger.

Article (141) Reporting the Financial Contravention

1. Each employee must notify the officer in charge of expenditure at his department of any financial contravention which he discovers as soon as he discovers it, including contravention of the financial rules and procedures prescribed by the relevant laws, regulations and bylaws, as well as any conduct that results in the disbursement of public funds in an illegal manner or loss of its right.
2. Officers in charge of expenditure at the Departments must notify the State Audit and Administrative Control Bureau of what takes place thereat, including: incidents of embezzlement, theft, dissipation, damage, fire or negligence and the like on the same day they occur or are discovered, as well as the decisions made thereon as soon as they are made.
3. Internal controllers and the Internal Audit Department of the Ministry of Finance must notify the State Audit and Administrative Control Bureau of all cases, in which disbursement involves a financial contravention, within a maximum period of two weeks from the date of their occurrence.

Article (142) Embezzlement of Public Funds

Subject to the provisions of any other law, in case embezzlement or loss affects public funds or in case a manipulation or forgery takes place in financial documents, records, or slips or in any other financial document, the following procedures shall be taken:

1. The competent Minister must inform the Minister immediately, and take the necessary measures, including initiating investigation, establishing committees, and providing the Minister with the results of the investigation.
2. The investigation committee must submit its report to the competent Minister within 30 days. In the event it is not able to finalise the investigation within this period, the competent Minister may extend it to another period at the request of the committee, indicating the causes of delay.

3. The Minister shall be entitled to establish a special investigation committee, in which the Ministry, State Audit and Administrative Control Bureau and the relevant department shall be represented, to re-launch or finalise the investigation. It shall submit the findings of its investigations to the Minister within a maximum period of three months from the date on which it was assigned.
4. The Minister may seek the assistance of any expertise outside the departments, which he deems necessary to involve in the investigation.
5. The Minister and competent Minister shall submit to the State Audit and Administrative Control Bureau a copy of the results of the investigation.

Article (143) Entry of the Embezzled Amount

The amount of embezzlement, theft, or manipulation of financial entries and records shall be charged on the concerned employee, provided that they are settled based on the definitive decision made by the competent authority.

Article (144) Impossible Determination of Responsibility

In the event responsibility for any shortage or loss that affects public funds cannot be determined by the competent Minister, such shortage or loss shall be written off in the following manner:

1. By a decision from the competent Minister if the amount does not exceed 100 dollars.
2. By a decision from the Minister based on the recommendation of the competent Minister if the amount exceeds 100 dollars but does not exceed 500 dollars.
3. By a decision from the Prime Minister based on the recommendation of the Minister if the amount exceeds 500 dollars.
4. For the purposes of this Article, public funds shall mean money and the like, such as stamps.

Chapter XIII: Internal Financial Control

Article (145) Appointment of Internal Financial Controllers

1. The Minister shall appoint internal financial controllers at each department. These shall be assigned with the responsibility of controlling the enforcement of the provisions of this Regulation and the relevant laws and regulations.
2. The Ministry shall be responsible for setting regulatory and applicable instructions for the control units and developing their functions.

Article (146) Controllers' Tasks

Internal controllers shall perform the following tasks:

1. Control the receipts and revenues of the departments to verify the validity of their amounts, collect them on prescribed dates, and deposit them in subsidiary collection accounts.
2. Ensure the validity of monthly revenue reports before they are submitted to the relevant bodies at the Ministry.
3. Control the expenditures of the department, including those financed through the Public Budget or through grants.
4. Ensure the validity of monthly expenditure reports before they are submitted to the relevant bodies at the Ministry.
5. Control bank reconciliations of revenues, expenditures and grant accounts.
6. Take part in evaluating in-kind grants and subsidies for the purposes of custody.
7. Verify the accuracy and integrity of petty cash books.
8. Conduct abrupt inspection of funds, petty cash, and fixed assets at the departments.
9. Take part in the inventory and disposition committees.
10. Coordinate with the financial Departments at responsibility centres to follow up

on the observations of the State Audit and Administrative Control Bureau, and respond to its inquiries.

11. Offer advice and consultancy to the responsibility centres if they are thus requested.

Article (147) Appointment of Inspection Committees

1. The Minister shall appoint, during January of each year, committees for inspections and inventory to carry out the functions which he specifies, including inspection and taking stock of funds, warehouses, stamps, and papers of financial value.
2. Committees shall submit their reports to the Minister as well as a copy thereof to the competent Minister no later than ten days from the date of assignment, in order to analyse and evaluate them and address any deviation.

Chapter XIV: Financial Reports

Article (148) Financial Reports

1. Departments shall send to the Ministry no later than the first week of each month the trial balance, including aggregate balances over a definite period based on the general ledger, monthly transactions of the budget accounts, and asset and liability balances of departments. These shall be enclosed with:
 - a) Activity of the monthly trust accounts for each type of trusts.
 - b) Activity of advance accounts, which are paid and refunded during the month.
 - c) Bank reconciliation report, including statements on the details of standing entries.
2. Departments shall provide the Ministry and Budget Department with the financial position of actual revenues, grants, and receipts no later than the end of the first week of the next month.
3. The Ministry shall prepare a monthly report on the financial and monetary position of the consolidated treasury account.

4. The Ministry shall prepare a monthly aggregate report on revenue and expenditure accounts based on the monthly reports received from the departments, including the Ministry.
5. The Treasury shall prepare monthly reports on temporary cash flows from government transfers and debt services of financial assets, in terms of the collection of interests and principal.

Article (149) Periodic Reports

1. The Ministry shall prepare at the end of each quarter of a year a detailed report, analysing the budget status. The report shall include financial developments and trends of the activity of revenues and expenditures against the projections, as well as explanation of significant deviations, analysis of cash flow, and impact of such developments on the financial position of the National Authority. It shall also review proposals of appropriate remedial measures to restore financial balance. The Minister shall submit this report to the Council of Minister, Legislative Council, and State Audit and Administrative Control Bureau.
2. The Minister shall prepare at the end of each quarter of a year a report on: the volume of debt, new guarantees, and balance of unpaid guarantees.
3. The Ministry shall prepare the report on actual revenues for the first six months of each year. It shall be enclosed with the budget circular for the next financial year.
4. The Ministry shall prepare the report on actual expenditures for the first six months of each year. It shall be enclosed with the budget circular for the next financial year.
5. The Ministry shall prepare and submit preliminary reports to the State Audit and Administrative Control Bureau within six months from closing of the financial years, indicating therein the opening and closing balances of the consolidated fund, details of financial operations conducted to meet any deficit, net government debt, and loans granted during the year.
6. The Ministry shall prepare and submit the draft final accounts to the State Audit and

Administrative Control Bureau within a year from the end of the financial year.

Article (150) Special Reports

1. Departments shall prepare and send a special report to the Ministry and Budget Department, indicating all its due obligations at 31/12 of each year. It shall include: the budget line item and number; balance of issued financial orders; incurred obligations and their types; and all agreements signed during the year which expired on 31/12 and their amounts, regardless of whether work has been achieved or not.
2. Departments shall prepare and send to the Ministry at the end of the financial year a detailed report on the balances of on-going advances and advances posted to the new financial year, indicating the type of advance, name of bearer, amount, and date of payment.
3. The Ministry shall prepare the final account of the Palestinian Authority, including all statements that reflect its actual revenues and expenditures during the expiring financial year.
4. The Ministry shall prepare an annual report on internal or external, short- or long-term debts or loans owed to or by the Authority.
5. The Ministry shall prepare an annual report on obligations owed to or by the Authority towards suppliers or any other agencies.
6. The Ministry shall prepare an annual report, indicating financial assets and the Palestinian Authority's contributions and investments in local and nonlocal entities and companies.

Chapter XV: Internal Auditing

Article (151) Establishment of a Specialised Department

1. A specialised department shall be established with the Ministry of Finance. It shall report to the Minister and deliver its tasks in accordance with the Regulation on Internal Financial Auditing, which is set forth by the Ministry, to ensure proper and

cost-effective use of public resources, and to ensure commitment of all Departments and units to expenditure in line with the applicable financial legislation.

2. The Internal Audit Department shall prepare an annual action plan, which shall be endorsed by the Minister. The Department shall implement audit operation based on such action plan or according to a special assignment from the Minister regarding issues that are not indicated in the annual plan.
3. The Internal Audit Department shall submit to the Minister a report on its findings and recommendations.
4. Departments whose records are audited must provide appropriate conditions to enable the audit team to implement the tasks assigned thereto.

Chapter XVI: Budget and Accounts Classification Structure

Article (152) Classifying and Itemising the Ministry's Structure

The Public Budget Department shall set forth, classify, itemise, and specify the budget structure and relevant accounts with a view to developing a sound basis for the financial management and the information system of financial operations. Accounts of the consolidated fund and funds of the National Authority shall be classified in accordance with the budget and accounts classification structure.

Article (153) Main Items of the Accounts Classification Structure

1. Assets.
2. Liabilities.
3. Public revenues and finance sources.
4. Expenditures.

Classification of these items shall be in accordance with the Annex attached to this Regulation.

Article (154) Coding

Coding shall be of 5 levels and 10 digits.

1. The first level shall include one digit.
2. The second level shall include 2 digits.
3. The third level shall include 2 digits.
4. The fourth level shall include 2 digits.
5. The fifth level shall include 3 digits.

Chapter XVII: Conclusive Provisions

Article (155) Repealing by Contradiction

Each provision that contradicts the provisions of this Regulation shall be repealed.

Article (156) Execution, Entry into Force and Publishing

All the competent authorities, each one within the scope of their competences, shall implement the provisions of this Regulation, which shall enter into force 90 days from the date of its publishing in the Official Gazette.

Promulgated in the city of _____ on June 22nd, 2005 *Anno Domini*, corresponding to Jumada al Ula 15th, 1426 *Anno Hegira*.

Ahmed Qurei'

Chairman of the Council of Ministers

Annex 1

The Palestinian Financial System Accounts Classification Structure

Assets

Account Number	Account Name
1000000000	Assets
1010000000	Public Treasure Account
1010100000	Advance reconciliations of previous years – Gaza
1010200000	Salary advances – Ramallah
1010300000	Deposits
1010400000	Issued bank guarantees
1010500000	Issued credits
1010600000	Expenditures paid in advance
1020000000	Investments
1020100000	Shares
1020200000	Investment real estates
1030000000	Lending
1030100000	Lending government bodies
1030200000	Lending individuals
1030300000	Lending companies
1030400000	Lending municipalities
1040000000	Rounding off asset balances
1040500000	Rounding off advance balances
Liabilities	
2000000000	Liabilities
2010000000	Gaza liabilities
2010100000	Gaza trusts
2010102000	Trusts refunded from revenues

Account Number	Account Name
2010103000	Trusts refunded from expenditures
2010104000	Other trusts
2010200000	Accounts payable under reconciliation
2010203000	Trusts against advances – Gaza
2010300000	Significant stamps
2010301000	Revenues under collection – service stamps
2010302000	Service stamp sales
2010400000	Income tax deduction from suppliers – Gaza
2010500000	Account of exchange rate differentials
2010600000	Closing liability account to round off balances – Gaza
2020000000	Ramallah liabilities
2020100000	Ramallah trusts
2020101000	Court trusts
2020102000	Trusts refunded from revenues – Ramallah
2020103000	Trusts refunded from expenditures – Ramallah
2020104000	Other trusts – Ramallah
2020200000	Accounts payable under reconciliation– Ramallah
2020203000	Trusts against advances – Ramallah

Account Number	Account Name
4010304000	Retirement and indemnities
4010304001	Pensions
4010304002	Severance pay
4010304003	Work injury
4010304004	Death grants and funeral expenses
4010304005	With a third party
4010305000	Other transfer expenditures
4020000000	Capital expenditures
4020100000	Project expenditures
4020101000	Project salaries and wages
4020102000	Materials
4020103000	Studies
4020200000	Studies, planning and consultancies
4020201000	Planning
4020202000	Studies
4020203000	Consultancies
4020204000	Designs
4020300000	Devices, equipment, and machines
4020301000	Computers and accessories
4020301001	Computer
4020301002	Scanner
4020301003	Printer
4020301004	Spare parts
4020301005	Ready-made computer software
4020301006	Computer accessories
4020302000	Office appliances
4020302001	Paper shredder
4020302002	Photocopying machine
4020302003	Telephone and facsimile
4020302004	Fans, heaters, and stoves
4020302005	Refrigerators
4020302006	Stoves and gas barrels

Account Number	Account Name
4020302077	Audio-visual receivers
4020302008	Other office appliances
4020303000	Occupational tools
4020303001	Medical devices and laboratories
4020303002	Advanced archive
4020303003	Miscellaneous occupational tools
4020304000	Industrial machinery
4020304001	Large tractor chopper
4020304002	Other industrial machines
4020305000	Other
4020305001	Small generators
4020305002	Large generators
4020305003	Split air conditioners
4020305004	Central air conditioners
4020305005	Welding machine
4020306000	General expenses – computer and accessories
4020400000	Vehicles and heavy machinery
4020401000	Light vehicles
4020401001	Sedan cars – public service
4020401002	Sedan cars – private service
4020401003	Pickup – light load
4020401004	Minibus
4020401005	Four wheel drive car – public service
4020401006	Four wheel drive car – private service
4020401007	Bicycles
4020402000	Heavy vehicles
4020402001	Medium busses
4020402002	Large busses
4020402003	Water tank trucks – all sizes
4020402004	Fire trucks – all sizes
4020402005	Trucks – all sizes

Account Number	Account Name
4020402006	Ambulances – all sizes
4020403000	Machinery
4020403001	Bulldozers
4020403002	Tractors – all sizes
4020403003	Construction machinery – road roller
4020403004	Construction machinery – concrete mixer
4020403005	Forklifts and cranes – forklift
4020403006	Forklifts and cranes – crane
4020403007	Lifts – all sizes
4020403008	Road machinery – road roller
4020403009	Road machinery – hydraulic excavator
4020403010	Road machinery – water tanks
4020403011	Purchase of civil aeroplanes
4020403012	Maintenance of civil aeroplanes
4020500000	Depreciations
4020501000	Land acquisitions
4020501001	Various land acquisitions
4020502000	Buildings
4020502001	Real estate
4020502002	Various buildings
4020600000	Buildings and constructions
4020601000	Constructions
4020601001	Constructions of ministries
4020601002	Constructions of government institutions and agencies
4020601003	Constructions of civil society institutions and organisations
4020602000	Permanent installations
4020602001	Permanent installations for ministries
4020602002	Permanent installations for government institutions and agencies

Account Number	Account Name
4020602003	Permanent installations for civil society institutions and organisations
4020603000	Capital repairs
4020603001	Capital repairs for ministries
4020603002	Capital repairs for government institutions and agencies
4020603003	Capital repairs for civil society institutions and organisations
4020603004	Capital repairs for schools
4020604000	Addition and adjustments
4020604001	Addition and adjustments for ministries
4020604002	Addition and adjustments for government institutions and agencies
4020604003	Addition and adjustments for civil society institutions and organisations
4020605000	Construction of roads, overflies, and sidewalks
4020605001	Construction of roads, overflies, and sidewalks for ministries
4020605002	Construction of roads, overflies, and sidewalks for government institutions and agencies
4020605003	Construction of roads, overflies, and sidewalks for civil society institutions and organisations
4020700000	Contributions and investments
4020701000	Contributions
4020701001	Local contributions / miscellaneous
4020701002	International contributions / miscellaneous
4020702000	Investments

Palestinian Legal Collection

Account Number	Account Name
4020702001	Local investments / miscellaneous
4020702002	International investments / miscellaneous
4020800000	Furniture and supplies
4020801000	Furniture
4020801001	Miscellaneous office furniture
4020801002	Miscellaneous house furniture
4020801003	School furniture
4020802000	Supplies
4020802001	Miscellaneous supplies
4020900000	Other capital expenditures
4020901000	Capital expenditures – Public Administration
4020902000	Capital expenditures – President’s Office
4020902001	Computer and accessories
4020902002	Official appliances
4020902003	Specialised occupational tools and devices
4020902004	Industrial machinery
4020902005	Other / devices, equipment, and machinery
4020902006	Sedan cars
4020902007	Field cars
4020902008	Furniture

Decision of the Council of Ministers No. 26 of 2006 on the Amendment of the Decision of the Council of Ministers No. 43 of 2005 on the Financial Regulation of Ministries and Public Institutions

The Council of Ministers,

Having reviewed the Law No. 7 of 1998 on the Regulation of the Public Budget and Financial Affairs, particularly Article (67) thereof; and

The Decision of the Council of Ministers No. 43 of 2005 on the Financial Regulation of Ministries and Public Institutions;

Based upon the proposition of the Minister of Finance; and

Based upon what the Council of Ministers approved in its session held in the cities of Gaza and Ramallah on May 5th, 2006,

Hereby promulgates the following Bylaw:

Article (1) The Addition of "payment of cellular telephone bills"

A paragraph that bears number (5) shall be added to Article (59) of the Decision of the Council of Ministers No. 43 of 2005 on the Financial Regulation of Ministries and Public Institutions, stipulating as follows: "As an exception of the provision above, cellular phone bills may be paid for some employees who use their cellular phones to make international calls for the purposes of work, at the request of the competent Minister in coordination with the Minister of Finance."

Article (2) Execution, Enforcement, and Publishing

All the competent authorities, each one within the scope of their competences, shall implement the provisions of this Regulation, which shall enter into force as of the date of its publishing in the Official Gazette.

Promulgated in the city of Gaza on May 2nd, 2006 *Anno Domini*, corresponding to Rabi' al Akhar 4th, 1426 *Anno Hegira*.

Isma'il Haniyyah

Chairman of the Council of Ministers

Chapter III: General Framework of Financial and Administrative Affairs of Employees of the Palestinian National Authority

1.a. Laws

Law No. 4 of 1998 on Promulgation of the Law of Civil Service

The Chairman of the Executive Committee of the Palestine Liberation Organisation

The President of the Palestinian National Authority,

Having reviewed the Regulation No. 23 of 1966 on Civil Service in force in the West Bank governorates,

Having reviewed the Public Service Regulations and Principles of 1988 in force in the Gaza governorates,

Having reviewed the Draft Law submitted by the Council of Ministers,

Based upon approval of the Legislative Council,

We hereby promulgate the following Law:

Article (1)

The provisions of the present Law of Civil Service shall be enforced, provided that enforcement of the financial part thereof shall commence over stages in line with the financial capacities of the National Authority as decided by the Council of Ministers.

Article (2)

Insofar as they do not contradict the provisions of this Law, the effective laws and bylaws in relation to civil service shall remain in effect until such time as the Council of Ministers issues the bylaws and decisions on enforcement of its provisions within a maximum period of one year from the date on which it enters into force.

Article (3)

All competent authorities, each within the sphere of its jurisdictions, shall implement the

provisions of this Law, which shall enter into force thirty days after its publishing in the Official Gazette.

Title One

Chapter I: Definitions

Article (1)

The following words and expressions mentioned in this Law shall have the meanings ascribed thereto hereunder unless the context requires otherwise:

The National Authority:	The Palestine National Authority.
Government authority:	Any Ministry, public department or institution, authority or any other entity whose budget comes within or is appended to the public budget of the Palestine National Authority.
The Minister:	Any Minister who has sworn the constitutional oath and has been accorded confidence by the Palestine Legislative Council. For the purpose of this Law, the word `Minister` includes: the Minister with regards to his Ministry and its affiliated departments.
The Council:	The General Personnel Council.
Chairman of the Council:	The head of the General Personnel Council.

Selection Committee:	The personnel selection committee composed in accordance with the provisions of this Law.
Civil Service:	Employment in any government department under the provisions of this Law.
Employee:	A male or female employee appointed based on a decision from a competent authority to fulfil a function listed in the civil functional categories regulations and funded by a government department, whatsoever the nature or title of the function.
Function:	The set of tasks entrusted by a competent authority to an employee for performing the same under this Law or any other legislation, instructions, or administrative resolutions, together with the relevant powers and responsibilities devolving from those tasks.
First university certificate:	Diploma, licence, or bachelor's degree.
Spouse:	Husband or wife.
Promotion:	The granting to an employee of a grade higher than their current grade.
Salary:	The basic monthly salary to which the employee is entitled and which they receive for performing the tasks of the function they fulfil. It does not include increments or allowances of any kind.
Scholarship:	The deputation of an employee to study at a recognised educational or training institution for a period of more than eight months either within Palestine or abroad.

Course:	The deputation of an employee to receive training in order that they acquire academic knowledge or practical skills or both for a period of no more than eight months either within Palestine or abroad.
Official Mission:	The deputation of an employee to attend a conference, seminar, or academic meeting or to make a visit or fact-finding tour or the like for a period of no more than one month either within Palestine or abroad.
The Delegate:	The employee delegated on a mission or on a course in accordance with the provisions of this Law.
Retirement Regulations:	The Insurance & Pensions Law or any other retirement law or regulations.
Medical Committee:	The relevant medical committee.
Year:	Based on the Gregorian calendar.
Month:	One of twelve parts of a year.
Day:	One of thirty parts of a month.

Chapter II: General Principles

Article (2)

The provisions of this Law apply to:

1. Employees employed in government departments and receiving their salaries from the Treasury of the Palestine National Authority under the functional categories regulations.
2. Employees appointed under special laws or resolutions and not otherwise covered.

Article (3)

The Council of Ministers shall assume the general supervision of Civil Service affairs in Palestine, and in so doing may undertake the following:

1. To review the scale of salaries and allowances whenever so required based on the studies of the cost of living and financial facilities available to the State, and to make proposals regarding the same to the Legislative Council for approval.
2. To determine the amount of allowances for specialisation, scarcity and risk and any other allowances and the beneficiaries, and to set the controls and criteria for their disbursement as put forward by the Council of Personnel in coordination with the relevant government departments and authorities.
3. To draft any schemes to serve the interests of personnel, and to develop the same in order to give them assurance and material, social and psychological stability.
4. To determine working days, working hours and official holidays in government departments.
5. To issue other regulations and resolutions as empowered by this Law.
5. To provide an employee with the working means to improve the performance of their duties, whilst observing economy in expenditure and preservation of State funds.
6. To instruct an employee appointed for a trial period to acquaint them with the personnel organisation, objectives, tasks, and administrative structure of the department, and the legislation affecting it and the affairs of the Civil Service, to inform them of their functional tasks and to train them on the proper working methods in its various administrative units.

Article (4)

Government departments shall undertake the following:

1. To determine how their allotted objectives and tasks are to be achieved efficiently and effectively, and to employ effective means to acquaint their employees and the public with their goals and tasks.
2. To draw up a draft organisational structure with appropriate sub-divisions, specifying the area of competence of each, for approval by Council of Ministers resolution.
3. To develop a schedule of their functional positions accompanied by a descriptive card for each function, showing its duties, responsibilities, conditions for fulfilling it, and its classification and order in accordance with the categories indicated in Table 1 annexed to this Law. This table is to be submitted to the Council of Ministers to issue the relevant decision thereon.
4. To determine their annual needs of the functions shown in their approved schedule of functional positions, for inclusion in the public budget.
3. To participate in the development of modern personnel management methods, to implement the same in the context of manpower planning and performance evaluation in the government department to which it belongs, and to classify functions and manage the relevant records.
4. To follow up on personnel procedures such as appointment, promotion, transference, delegation, secondment and the like, and to keep the relevant files and records.
5. In coordination with the Council of Personnel, to undertake the studies necessary to determine personnel training needs, to depute personnel to study and academic missions and to follow up on the work of assigned employees.
6. The Bylaw to this Law shows the procedures, records, and forms to be used in the work of this unit.

Article (5)

A Personnel Unit is to be established within each government department to undertake the following tasks:

Chapter III: General Personnel Council

Article (6)

1. An independent department known as the General Personnel Council shall be established to be responsible of the affairs of the Civil Service and managed by a chairman reporting to the Council of Ministers.
2. The Chairman of the Council shall be appointed by virtue of decision issued by the President of the National Authority based on the recommendation of the Council of Ministers.
3. The Chairman of the Council shall exercise his powers with respect to the Council affairs in accordance with the provisions of this Law.
4. The Council of Personnel shall submit its draft organisational structure to the Council of Ministers for approval.

Article (7)

Pursuant to the purpose of developing the administrative apparatus in Palestine within the overall development of the administration, the Council shall undertake the following tasks and responsibilities:

1. To supervise the implementation of the provisions of this Law, and to verify that government departments are properly implementing all Civil Service legislation.
2. To participate in the preparation and implementation of the plans relating to personnel, and to work towards the development of their capabilities by coordinating training and missions within Palestine and abroad.
3. In coordination with government departments and other relevant authorities, to participate in the development of the rules for competitive examinations among candidates to public functions and to take the necessary measures for these examinations to be held annually or whenever required.
4. To review the administrative decisions on appointments and promotions issued by a government department, which

it undertake to submit the same to the Council within fifteen days. The Council may object to anything it deems contrary to the provisions of this Law and the regulations in force regarding the Civil Service, and shall notify the government department of the reasons for its objection within thirty days from the date of receipt of the notification. In the event that the Council and the relevant government department fail to agree, the Council shall raise the matter to the Council of Ministers for an appropriate decision in accordance with the provisions of this Law.

5. To prepare a central register for all Civil Service employees in Palestine.
6. To prepare personnel statistics and any other statistics required under the Council's tasks, and to keep these statistics updated.
7. To consolidate legislation and references relating to the Civil Service.
8. To prepare a Guide for the Civil Service in Palestine, showing the obligations and rights of an employee as contained in this Law and all legislation in force in Palestine with which an employee should be conversant.

Article (8)

The Chairman of the Council shall submit an annual report to the Council of Ministers on the work and activities of the Council within four months from the end of the financial year and whenever so requested.

Title Two:

Chapter II

Classification of Government Functions and Categories of Personnel

Article (9)

1. With the exception of Ministers, government departmental functions in Palestine are categorised as follows:
 - a. Special category: Includes persons appointed to the Minister grade

- among the heads of government departments.
- b. Category 1: Includes higher planning and supervisory functions; the responsibilities of employees in this category include supervising the implementation of the goals of government departments in the various specialised fields, developing plans and programmes, and taking the decisions and measures to implement them.

They must have the required academic qualifications and practical experience. Deputy ministers, heads of department and directors general shall be appointed from among the employees in this category or the equivalent thereof. Salaries and other financial entitlements of the occupants of positions in this category shall be set according to the functional grade stated in the appointment decision in accordance with the provisions of this Law.

- c. Category 2: Includes specialised functions in the various fields. Employees in this category shall be responsible for specialist work in the medical, engineering, administrative, legal, financial, accounting, economic, social, cultural, and educational professions, and the like. This category includes employees in government departments who require particular specialist skills.

Those persons with management and leadership skills among employees in this category or the equivalent thereof shall be selected to occupy middle-ranking management and supervisory positions such as directors and heads of divisions, sections, and units.

- d. Category 3: Includes technical, clerical, and secretarial functions such as the typing and keeping of documents and the like.
- e. Category 4: Includes vocational functions in the fields of operation, maintenance, movement, and transport, mechanical and electrical

workshops, power stations and the like.

- f. Category 5: Includes service functions such as security guards, messengers and the like.
2. Each of these categories is deemed a distinctive unit as regards appointment, promotion, and transfers within the Civil Service, and shall have a separate list of the seniority of its employees.

Article (10)

With the exception of the special category, functional categories are divided into a number of grades covering the length of functional service of the employee from the date of joining the organisation to the termination of their services in accordance with Table 1 annexed to this Law.

Article (11)

Category 2 employees may be promoted to category 1 when they meet the conditions provided for by this Law.

Article (12)

1. Employees who obtain at least a first university certificate in their field of employment during their service may be transferred from category 3 to category 2.
2. In this case the employee shall be transferred to the grade equivalent to the salary they were receiving prior to transfer.

Article (13)

An employee who obtains a general certificate of secondary education or above may be moved from categories 4 and 5 to category 3 in the grade equivalent to their qualification, and he or she shall receive either the salary for the grade to which they are transferred or their previous salary prior to the transfer, whichever is higher.

Chapter II: Appointments

Article (14)

No person shall be appointed to a Civil Service function unless they meet the requirements

for occupation of the position. Two functions may not be combined.

Article (15)

The head of the financial control and administration department shall be appointed by resolution of the President of the National Authority, and the Legislative Council shall ratify this appointment.

Article (16)

Other category 1 heads of independent government departments shall be appointed by resolution of the President of the National Authority on a recommendation by the Council of Ministers.

Article (17)

1. Deputy Ministers and directors general shall be appointed from among employees in category 1 (or the equivalent thereof from outside the government department) by resolution of the President of the National Authority on a recommendation by the Council of Ministers.
2. Category 1 employees shall be appointed by resolution of the Council of Ministers on a recommendation by the head of the government department concerned.

Article (18)

Employees in other categories shall be appointed by decision of the concerned head of department.

Article (19)

Government departments shall advertise their vacant posts, where appointment is conducted based on a decision from the authority concerned, in at least two daily newspapers within two weeks of the post falling vacant. The advertisement must include the particulars relevant to the position and the conditions to be met for its occupation, and the Council is to be kept duly informed.

Article (20)

In posts, which call for competitive written and oral examinations, the written examination must be firstly advertised. Only those

successful in the written examination shall be called in for the oral examination. The names of those successful in the oral examination shall be announced according to the final order of the results of the examinations.

Article (21)

Selection Committees shall advertise the names of the candidates accepted to undergo the competitive examinations for appointments, in at least two daily newspapers on successive days, and the advertisement must state the time and place of the examination.

Article (22)

1. Appointments to functions shall be in accordance with the order of precedence in the final order of the results of the examination, and in case of a tied result the appointment shall go to the highest qualified followed by the most experienced. If there is still a tie, the eldest candidate shall take precedence. The rights of any person not chosen in the appointment cycle shall lapse one year from the date on which the result of the examination was announced.
2. The appointment shall be processed within one month from the date of announcement of the aforesaid results.
3. The process of appointment to advertise vacant posts must be finalised within a maximum period of one year from the date of announcement of the result of the examination.

Article (23)

1. A resolution issued by the Council of Ministers resolution shall specify the proportion of posts allocated to the released prisoners and persons injured in resistance operations whose condition allows them to undertake the work of those posts. The resolution shall also give a description of the aforesaid injured persons and the rules for occupation of the posts.
2. The spouse, child, brother or sister of such an injured person, on whom that person is dependent in the case of total disability or in the case of death, may be appointed

to such a position if he or she fulfils the requirements for occupation of the post.

3. The provisions of paragraph 2 of this Article apply to the families of those who have died in the service of the cause.

Article (24)

Any person appointed to any function must fulfil the following requirements:

1. He or she must be a Palestinian or an Arab.
2. He or she must have attained the age of 18 years, proved by an official birth certificate. Where it is not possible to obtain a birth certificate, the relevant medical committee shall assess his or her age and the decision of the board shall be final.
3. He or she must be free of illnesses and bodily and mental defects preventing him or her from carrying out the work of the function to which he or she is to be appointed, as decided by the relevant medical committee. However, a person who is totally blind, has lost the sight in one eye, or has a physical disability may be appointed if none of these disabilities, on the basis of a certificate from the relevant medical authority, prevent him or her from carrying out the work of the function to which he or she is to be appointed. He or she must however meet the other fitness requirements.
4. He or she must be in full enjoyment of his or her civil rights and not have been convicted by a competent Palestinian court of a crime or a misdemeanour in breach of honour or trust, unless his or her moral standing has been restored.

Article (25)

The following rules apply to a first appointment:

1. The appointment shall not be retrospective. The employee shall be deemed employed as of the date on which the Council notified him or her of his or her employment in writing through the government department and he or she has effectively taken up the post. The decision to appoint him or her shall be deemed null and void if he or she does not

take up the employment within thirty days of being duly notified in writing, in which case the person next in order shall be appointed if the appointment depended upon a competitive examination.

2. A student in full-time study may not be appointed to a vacant budget post.
3. A candidate for a Civil Service post, which requires a licence by law, shall not be acceptable unless he or she holds the required licence from the relevant authority.
4. Academic certificates on the basis of which an appointment is made must be original or duly certified copies issued by an institute, college or university or any other recognised institution.
5. The equivalence of certificates by the Ministries of Education and Higher Education shall be in accordance with their scope of competence and the provisions of the law.
6. The minimum age shall be 18 years.

Article (26)

Selection committees for appointments to vacant posts in government departments shall be composed of representatives of the following:

1. The concerned department.
2. The Council of Personnel.

The Bylaw shall provide further details.

Article (27)

A permanent position may be occupied temporarily in the cases stated in this Law; in this case, subject to the terms of the contract concluded with him or her, the provisions governing the permanent post shall apply to the appointed employee.

Article (28)

As proposed by the General Personnel Council, the Council of Ministers shall lay down the regulations for the recruitment of local and foreign experts and for those undertaking temporary employment of a casual or seasonal nature.

Article (29)

The Council of Personnel shall issue regulations governing the controls, procedures, and forms of contract for appointees under the two preceding Articles.

Chapter III: Probation period

Article (30)

1. With the exception of category 1 posts, the first year of employment of an employee chosen from outside the Civil Service to occupy a vacant position shall be a probation period.
2. The performance of the employee shall be evaluated in accordance with the forms, controls and procedures stated in the Bylaw.
3. An employee on trial who fails to complete his or her probation period successfully shall be notified that his or her services are no longer required two weeks before the end of the probation period, and the Council shall be duly informed.

Article (31)

If the employee completes his or her probation period successfully, the head of the concerned government department shall resolve to confirm him or her in the post from the date he or she commenced employment in that function, and the Council shall be duly informed.

Chapter IV: Evaluation of performance

Article (32)

Performance grades are estimated by four grades as follows:

1. Excellent (85 - 100%).
2. Very good (75 - 84%).
3. Good (65 - 74%).
4. Average (50 - 64%).

Anyone below is Weak.

Article (33)

1. In coordination with the Council, the government department shall lay down the Bylaw ensuing the measurement of the performance efficiency to be achieved consistently with the functional description of the business and goals of the government department, the nature of the functions in the department, the procedures to be followed in the preparation, submission and approval of efficiency reports, and the means of appeal against the same.
2. A normal performance is the yardstick for measuring performance efficiency, and efficiency shall be assessed according to the four scales mentioned in the preceding Article.
3. The immediate superior shall assess with objectivity, accuracy, and integrity the performance efficiency of his or her subordinates on one occasion in the year, commencing on 1 January and ending in December of each year. These reports must be submitted in January and February of the following year and approved by the relevant Minister in March.
4. A report may not be withdrawn or amended once it is forwarded to the Council, nor may any data in it be deleted or erased.
5. The criteria used for measuring performance efficiency must be communicated to the personnel.

Article (34)

Annual reports must be prepared on the form provided for this purpose and must show the competences, conducts and activities of the personnel. The performance efficiency of an employee is to be assessed in accordance with the grades indicated in the form. The evaluation of the work of an employee must consider his or her execution of his or her duties based on the qualitative and quantitative standards expected of the occupant of the post. His or her style of work must be evaluated in terms of the diligence, personal conduct, and personal qualities he or she shows in exercising his or her powers and taking his or her decisions.

Article (35)

The head of each government department must form a board under his or her chairmanship to scrutinise annual reports and write a general report on the performance efficiency of the employee.

Article (36)

1. A department is to provide each of its employees with a copy of his or her performance efficiency report once the relevant authority has approved it.
2. An employee may appeal to the relevant Minister against this report within two weeks of being apprised of it.
3. An appeals board, established for this purpose and composed of three senior officials who did not take part in preparing the report, shall be formed by resolution of the relevant Minister to decide on the appeal within a maximum period of sixty days from the date of the submission thereof to the Minister. The decision of this board shall be final.
4. A performance efficiency report shall not be deemed final until the deadline for appeal has elapsed or any appeal has been decided.

Article (37)

An employee who has achieved an excellent grade in his or her performance efficiency report shall be awarded a certificate of appreciation by his government department to which he or she has been delegated, and his or her name shall be announced on a board intended for this purpose.

Article (38)

The government department concerned shall prepare the annual report on a delegated or seconded employee after having consulted with the government department or authority to which he or she has been delegated or seconded in writing.

Article (39)

An employee for whom an 'average' assessment has been rendered shall have his or her attention drawn to his or her shortcomings. An employee for whom a

'weak' assessment has been rendered shall be warned. Each shall be asked to improve his or her performance and eliminate his or her shortcomings. A copy of any warning shall be forwarded to the Council.

Article (40)

A periodic increment may be withheld from an employee from the date it falls due if he or she has received a 'weak' annual report, until such time as his or her functional performance improves through obtaining an 'average' assessment or above.

Article (41)

An employee for whom two successive annual reports are rendered with a 'weak' assessment shall be referred to a board set up by the relevant department in coordination with the Council, and one or more of the following penalties may be imposed on him or her:

1. Suspension of the periodic annual increment.
2. Reduction in grade.
3. Demotion.

Article (42)

If the employee referred to in the preceding Article receives a third 'weak' report, the relevant board should consider dismissing him.

Chapter V: Promotions

Article (43)

Promotion shall only be made to a vacant grade in the approved budget, provided that the employee has spent the minimum number of years of the period prescribed for remaining in that grade as shown in Table 1 annexed to this Law.

Article (44)

For promotion to grades within category 1, an employee must have received a Very Good assessment throughout his or her years of service in the grade, and the promotion must be approved by the Council of Ministers on a recommendation by the relevant head of government department. Priority in selection shall be given to those who have obtained an

Excellent assessment throughout their period of service at this grade, and in case of a tie evaluation of performance selection shall be made on the basis of seniority.

Article (45)

For promotion to grades within other categories, an employee must have received an average assessment of Good or higher for the last three years.

Article (46)

Promotion within categories 2 and 3 shall be granted to employees who meet the conditions for promotion within the relevant government department as decided by the relevant head of department.

Priority in promotions shall be accorded to seniority and performance, commencing with the percentage allocated to promotion by seniority according to the following rates:

Grade		Seniority	Performance
from	to		
6	5	80%	20%
5	4	60%	40%
4	3	50%	50%
3	2	40%	60%
2	1	20%	80%

Article (47)

All promotions in all other category 3, 4 and 5 grades shall be performed based on the seniority of those employees who meet the conditions for promotion. The decision shall rest with the relevant head of department on a recommendation by the competent committee.

Article (48)

Promotion from category 2 to category 1 for employees who meet the conditions for promotion shall be on a recommendation by the head of department and resolution of the Council of Ministers. Priority in selection for promotion shall be given to personnel who have obtained an Excellent assessment throughout their years of service in this grade. In the case of a tied evaluation of performance,

selection shall be made on the basis of seniority.

Article (49)

1. The appointing authority shall render the decision on a promotion, and the promotion shall be effective from the date of issuance of the decision.
2. An employee shall be entitled to the initial salary at the new grade or an increment at this grade plus his or her original salary, whichever is higher.

Article (50)

1. If a complaint is made against an employee, requiring the taking of disciplinary or punitive action, the employee shall only be considered for promotion after the final decision has been rendered in his or her case.
2. If it is decided not to take disciplinary action against him or her, if he is acquitted on the charge against him or her, his or her promotion shall be considered from its maturity date.

Title Three

Chapter I: Salaries and Allowances of Employees

Article (51)

1. Personnel salaries are determined in accordance with the salary scale annexed to this Law.
2. The Council of Ministers may from time to time present a proposal for amendment of the salary scale to the Palestinian Legislative Council for approval.
3. An employee's overall salary shall be paid on the following basis:
 - a. Entitlements:
 1. Basic salary plus increment for the grade.
 2. Specialisation allowance.
 3. Family allowance for spouse and children.

4. Travel allowance from home to workplace.
 5. Cost of living allowance.
 6. Scarcity allowance.
 7. Risk allowance.
 8. Nature of work allowance.
 9. Management allowance: granted to those filling senior supervisory posts in accordance with the organisational structure and table of approved functions for the various departments in the manner shown in Table 3 annexed to this Law. This may not be combined with specialisation allowance, such that whichever is higher shall be paid.
- b. Deductions:
1. Retirement premium.
 2. Health insurance premium.
 3. Income tax.
 4. Any other deductions specified by law.

Article (52)

An employee who has spent a year or more in service shall be granted a periodic annual increment payable on 1 January of each year up to a maximum of the number of increments prescribed for his grade, unless a decision is taken by a competent authority to withhold or delay it under the provisions of this Law.

Article (53)

1. Family allowance shall be paid to an employee for his or her spouse who is not a civil servant and sons and daughters according to the rates prescribed for each until they reach the age of 18 years.
2. The allowance shall continue to be paid for any of the individuals mentioned in paragraph 1 above in the following cases:
 - a. If he or she is pursuing studies in any recognised educational institution, until he or she completes his or her studies or completes his or her 25th year of age, whichever is earlier.

- b. If he or she is or becomes disabled to a disablement percentage determined by the Higher Medical Committee.
 - c. In the case of an unmarried daughter not being a civil servant.
 - d. In the case of a divorced female or a widow not being a civil servant.
3. If both spouses are Civil Service employees, social allowance is payable to the husband only.

Article (54)

1. The allowance for births and marriages shall be paid from the date of birth or marriage contract.
2. Payment of the allowance shall be stopped for deceased children, a deceased or divorced spouse, or a daughter who marries, as of the date of death, divorce, or marriage as the case may be.

Article (55)

The head of the relevant government department may remunerate the occupant of a post for official overtime hours if an allocated financial appropriation is available, on the following conditions:

1. If the required work is of an urgent or pressing seasonal nature that does not allow the performance thereof within the official working hours.
2. If the sums paid for the overtime hours do not exceed one quarter of the salary of the concerned employee.
3. Payment shall be restricted to executive employees of category 2 and below on an hourly basis.

The Bylaw states the provisions, controls, and procedures governing overtime hours.

Chapter II: Incentives and Increments

Article (56)

1. The Council and the relevant department shall draw up regulations for material and moral incentives to its personnel, to ensure that the goals are achieved,

performance is improved, and expenditure is made wisely. These regulations shall include the rates for material and moral incentives and the conditions for granting them.

2. The relevant department may pay an increment to an employee who submits work or research aimed at raising the efficiency of performance or the proper channelling of expenditure.
3. The relevant department may grant an employee an increment equivalent to the prescribed periodic increment if he or she has received an Excellent performance efficiency report for the past two years, provided that the number of employees granted this increment does not exceed 20% of the number of employees at this grade; however, if they are less than five members, it shall be granted to one of them, on the condition that the granting thereof to the employee is not repeated until at least two years have elapsed since the date on which it was granted to him or her.

Chapter III: Transfer, Deputation and Secondment

Article (57)

An employee may be transferred, deputed, or seconded within Palestine or abroad at the written request of the employee after the approval of the competent authorities or in line with the interests of the job.

Article (58)

Subject to the provisions of the other Articles of this Law, an employee may not be transferred to another function of a lower grade without his or her consent in writing. Any transfer shall not affect his or her seniority in the grade or his or her entitlement to promotion.

Article (59)

An employee may be transferred from one government department to another at his or her request and with the consent of the two concerned departments. The appointing authority shall issue the transfer decision.

Article (60)

If an employee is transferred from one government department to another, his or her salary and other entitlements shall be paid from the date of transfer and charged to the budget of the department to which such employee is transferred.

Article (61)

By decision of the relevant head of government department and in coordination with the Council of Personnel, an employee may on one occasion be temporarily deputed for a maximum of one renewable year to work in another government department at the same grade and in the same or in a higher function if the public interest so requires. The Bylaw shows the rules governing the deputation.

Article (62)

With his or her written consent, an employee may be seconded to another government or to an international or regional organisation or public institution within Palestine or abroad, at its request, and he or she may also be seconded in the same manner to any local authority or institution of public benefit within Palestine or to a company in which the government has shares.

Article (63)

When an employee is seconded the following shall be observed:

1. The initial secondment period within Palestine is not to exceed one year. It may be renewed on each occasion for a further year, but the total period of secondment shall not exceed four years.
2. The period of secondment abroad shall not exceed four years, after which he or she may not be sent on secondment service until five years have elapsed since his or her return to work.

Article (64)

- 1) The decision on secondment shall be issued by the appointing authority at the request of the entity requesting secondment, in coordination with the Council. The decision shall state the

period, terms and date of commencement of the secondment, and the name of the entity requesting the secondment.

- 2) The salary and entitlements of the employee shall be at the expense of the entity requesting secondment throughout the period of secondment. The full period of secondment shall count towards service for retirement purposes, entitlement to promotion and periodic increment, but the retirement premium is to be collected from him or her.

Article (65)

The department from which the employee has been seconded shall return him or her to his or her original or an equivalent post at the grade and salary to which he or she was entitled at the time he or she was returned to post. In all cases, a seconded employee shall retain all the privileges of the post he or she occupied before the secondment.

Chapter IV: Employee's Duties and Functional Conduct

Article (66)

Public functions are a charge on those who perform them, and their purpose is to serve citizens and to achieve the public interest in accordance with the laws and regulations. An employee shall observe and implement the provisions of this Law and the regulations, and particularly the following:

1. To perform his or her job loyally and accurately, and allocate official working hours to perform the duties of his or her function. He or she shall work overtime as instructed by the competent authority if the interests of the job so require.
2. He or she must deal fairly with the public and complete their transactions on time.
3. He or she must respect working hours.
4. He or she must safeguard public funds and property.
5. He or she respect the management chain in his or her functional contacts and execute orders and instructions given to him or her within the bounds of the laws and regulations in force. Every official shall bear responsibility for orders given by him

or her, and shall be also responsible for the smooth performance of work within the limits of his or her areas of competence.

6. He or she must work towards developing his or her capabilities and academic and practical efficiency, familiarise himself or herself with and make himself or herself aware of the laws, regulations and instructions relating to his or her job, and make proposals he or she deems useful to improve the working methods in the department and raise its standard of performance.

Article (67)

An employee is forbidden:

1. To contravene the provisions of this Law or other laws and regulations in force relating to the Civil Service and personnel.
2. To combine his or her function with any other work on his or her own or someone else's account.

The Bylaw to this Law specifies the controls and provisions governing the work that an employee may perform outside the official working hours, without prejudice to or conflict with the function or its requirements.

3. To utilise his or her function and his or her powers in that function for personal interest or gain or to directly or indirectly accept any gift, remuneration, donation or commission for performing the duties of his or her function.
4. To keep for himself or herself the original or a copy, version or summary of an official document or remove the same from their designated files, even if they pertain to the work with which he or she is personally charged.
5. To disclose any matters of which he or she has become aware by virtue of his function other than in those areas permissible by law, even after he or she has left the post.
6. To depart from the duty requirements of the business of his or her function or to have an appearance that might devalue his or her function.
7. To drink wine and gamble in clubs or public places.

Chapter V: Disciplinary procedures and penalties

Article (68)

If it is proved that an employee has contravened the laws, regulations, instructions and resolutions in force in the Civil Service or in applying the same, he or she shall have one of the following disciplinary penalties imposed:

1. Notice or caution.
2. Warning.
3. Deduction of salary provided that it does not exceed fifteen days.
4. Deprivation of periodic increment or deferment for not more than six months.
5. Deprivation of promotion in accordance with the provisions of this Law.
6. Suspension from work on half-pay for not more than six months.
7. Reduction in grade.
8. Warning of dismissal.
9. Pensioning off.
10. Dismissal from service.

Article (69)

1. Referral for investigation of a disciplinary offence shall be by a person having the authority to impose the penalty on the employee.
2. With the exception of notice or caution, a penalty may not be imposed on an employee until he or she has been referred to a board for investigation and his or her testimony heard. This shall be recorded in a special register, and a decision to impose the penalty must be reasoned.
3. Not more than one penalty may be imposed for the same offence.

Article (70)

Only a disciplinary penalty of the following categories may be imposed on a Category 2 employee:

1. Censure.
2. Pensioning off.
3. Dismissal from service.

Article (71)

1. Referral of a Category 1 employee for investigation of disciplinary offences shall be by resolution of the Council of Ministers at the request of the head of government department of the employee.
2. The investigation shall be carried out by a committee formed by the Council of Ministers from employees of a grade not less than that of the employee referred for investigation.
3. The committee shall make its recommendations to the Council of Ministers for an appropriate decision under the provisions of this Law.

Article (72)

If an employee has been arrested or is being detained or investigated based on a matter attributed to him or her and which is outside of the scope of his or her function, the authority taking this action shall immediately notify the government department of the employee for the matter to be considered under the provisions of this Law.

Article (73)

An employee may not be referred for investigation under the provisions of this Law for a disciplinary offence, which came to light over six months ago.

Article (74)

An employee shall not be exempted from a disciplinary punishment on the basis of an order issued to him or her by his or her superior unless it is established that he or she has committed the offence was in execution of a written order to this effect issued to him or her by his or her aforesaid superior despite being alerted to the offence in writing.

Chapter VI: Annulment of Disciplinary Penalties

Article (75)

1. Disciplinary punishments levied on an employee shall be struck out on the lapse of the following periods:
 - a. Six months in the case of a caution, censure, warning or mulct of pay for not more than five days.
 - b. One year in the case of a mulct of pay in excess of five days and deferment or deprivation of an increment.
 - c. Two years for other penalties, with the exception of dismissal or pensioning off under a disciplinary judgement or ruling.
2. For other than the occupants of higher posts, strike-out in the cases mentioned in paragraph 1 shall be decided by the relevant committee under the provisions of the Bylaw to this Law if it appears to the committee that the conduct and work of the employee since the imposition of the punishment has been satisfactory as evidenced by his or her annual performance efficiency reports, his or her service file, and what his or her superiors have to say about him or her.

Article (76)

Strike-out of a disciplinary punishment shall have the effect of it being regarded as null and void for the future, and it shall have no effect on the entitlements and allowances involved. The documentation relating to the punishment, every reference to it and anything connected with it shall be removed from the employee's service file.

Article (77)

A government department shall keep the proceeds of mulct punishments imposed upon employees in a special account, and these proceeds shall be spent for the social, cultural, or sporting purposes of personnel under the circumstances and conditions specified by the concerned government department and in accordance with the Bylaw to this Law.

Title Four

Chapter I: Leaves

Article (78)

An employee may only stay away from his or her job for an entitled leave within the bounds of leaves prescribed in this Law and in accordance with the controls and procedures laid down by his or her government department.

Article (79)

An employee's leave entitlement shall be as follows:

1. Annual leave.
2. Casual leave.
3. Sick leave.
4. Study leave.
5. Unpaid leave.
6. Maternity leave.
7. Pilgrimage leave.

Article (80)

An employee is entitled to a normal annual leave on full pay. Official holidays other than weekends shall not enter into the calculation of this leave. Details are given below:

1. Fifteen days in the first year, but not until six months from the date he or she initially took up the employment.
2. Thirty days for personnel who have completed one or more years.
3. Thirty-five days for personnel aged over fifty years who have spent at least ten years in service.

Article (81)

For the purposes of granting normal leave, in this Law a year means a calendar year commencing on January 1st and ending on the last day of December of that year.

Article (82)

1. Annual leave for employees in educational establishments at their various levels shall be in accordance with the regulations issued by the concerned government department.
2. With the consent of the head of the concerned government department, an employee working in the field of education may exceptionally be granted leave not exceeding ten days in any one year.

Article (82)

Normal annual leave may only be curtailed, postponed or terminated for good and sufficient reasons in the interests of the job and subject to the approval of the head of the concerned government department. In this case the balance carried forward may be used until exhausted along with the normal entitled leave in succeeding years, but leave shall not exceed sixty days in any one year.

Article (84)

An employee is entitled to a casual leave on full pay for a period not exceeding ten days per year for reason of some exigency for which no other leave can be obtained.

Article (85)

1. For every three years spent in service, an employee is entitled to sick leave granted by decision of the relevant medical committee within the following bounds:
 - a. Three months on full pay.
 - b. Six months on 75% of full pay.
 - c. Six months on 50% of full pay; unless the employee is aged over 50 years, in which case this percentage is raised to 75% on full pay.
 - d. Three further months without pay if the relevant medical committee decides that he is or she likely to recover.
2. The employee's government department may increase the period by six further unpaid months if the employee is the victim of an illness, which needs lengthy

treatment for his or her recovery, as decided by the relevant medical committee.

3. Subject to the maximum total periods referred to in this Article, the head of the aforesaid government department may decide to increase the periods during which the employee obtains sick leave on reduced pay, and may also decide to grant him or her this leave on full pay.
4. An employee is entitled to ask that sick leave be converted into normal leave if his or her remaining balances of sick leave so permit.
5. An employee who falls sick must notify his government department of his illness within twenty four hours of failing to appear at work, unless it is impossible for him or her to do so for compelling reasons.
6. An employee who is ill may obtain sick leave not exceeding three days from a Ministry of Health doctor. This may be extended for a further three days only based on a medical report by the Ministry of Health specialist.
7. Exceptionally to the provisions governing sick leave, an employee who is suffering from a chronic illness as defined by the Minister of Health with the approval of the Higher Medical Committee may be granted exceptional leave on full pay until he or she recovers or his or her condition stabilises sufficiently to enable him or her to return to work. If it is evident that he or she is totally disabled he or she shall be discharged unfit.
8. The Council of Personnel, in coordination with the Ministry of Health, shall lay down the procedures governing the entitlement of an employee to a sick leave.
9. If an employee who is ill wishes to terminate his or her leave and return to work, this may only be done with the consent of the relevant medical committee.
10. Malingering by an employee - as decided by the relevant committee - is deemed a breach of the duties of his position.

Article (86)

1. Provided there is no conflict with the interests of the job, the head of the government department to which an employee who has completed two years of service belongs may agree to grant him or her study leave at his or her request.
2. Study leave shall be granted for one year renewable annually up to a maximum of four years.
3. Study leave shall be unpaid, under the controls and conditions stated in the Bylaw to this Law.

Article (87)

1. An employee may be granted unpaid leave on request for not less than six months in order to accompany his or her spouse abroad for work or study, provided that the leave does not exceed the period which the spouse will be spending abroad.
2. A government department may grant any of its employees unpaid leave for the reasons stated in his or her request, those reasons having been assessed by the departmental authorities.
3. An employee who has been granted unpaid leave shall not be entitled to an increment or promotion throughout his or her leave period, and the leave period shall not be calculated towards seniority in his or her grade With respect to promotions and increments but without prejudice to the provisions governing insurance and pensions.
4. The department of an employee allowed unpaid leave for at least one year may fill his or her post by appointment or promotion under the provisions of the Law.

Article (88)

1. A pregnant employee shall be granted leave on full pay for a period of ten successive weeks before and after the birth.
2. A female employee who is suckling her infant may leave her daily work an hour early for one year from the date of birth of

the infant, and shall be entitled to unpaid leave for one year to look after her infant.

Article (89)

An employee shall be entitled to thirty days leave on full pay on one occasion during his or her period of service to perform the pilgrimage.

Chapter II: Absence from Work

Article (90)

1. An employee shall lose his or her position if he absents himself or herself from his or her job without permission for a period in excess of fifteen consecutive days unless he furnishes an acceptable excuse.
2. The period of absence in this case shall be reckoned as fully paid or otherwise according to the circumstances.

Article (91)

Periods during which an employee is dispatched on an official mission or a training course shall be regarded as official work on full pay under the provisions of the relevant rules and regulations.

Article (92)

An employee who is dispatched on an official mission shall be entitled to those allowances and expenses which shall be decided and for which the controls and conditions shall be laid down by a special regulation issued by the Council of Ministers.

Chapter III: Suspension from Employment

Article (93)

Subject to the other provisions of this Law, when an employee is referred for investigation the head of his or her government department may suspend him or her from his or her employment or temporarily transfer him or her to another function within the same department until such time as the investigation is completed.

Article (94)

An employee who is suspended from his or her employment is to be paid his or her full salary during his or her period of suspension.

Chapter IV: Work Injury

Article (95)

Subject to the rules and regulations in force concerning injuries at work, if an employee is injured in an accident at work - occurring to him or her during or because of his or her performance of his or her job - he or she shall be granted the sick leave decided by the relevant medical committee and this shall not be deemed to fall under the sick leaves covered by this Law.

Title Five

Termination of Service

Article (96)

An employee's services shall terminate for one of the following reasons:

1. On reaching the legal age for leaving service.
2. Medical unfitness.
3. Resignation.
4. Loss of post.
5. Pensioning off or dismissal from service.
6. Conviction of a crime or misdemeanour in breach of honour or trust by the final judgement of a competent Palestinian court.
7. Death.

Article (97)

An employee's services shall terminate when he or she reaches the age of sixty years.

Article (98)

1. Medical unfitness for service shall be established by decision of the Higher Medical Committee.

2. An employee's service may not be terminated for medical unfitness until his or her sick and normal periods of leave have been used up unless he or she requests in writing that his or her service be terminated without waiting for his or her periods of leave to be used up.

Article (99)

1. An employee may tender his or her resignation from his post by request in writing to the head of his government department.
2. The head of this government department shall decide on the request to resign within a maximum period of thirty days from the date of submission of the request.
3. The resignation shall be deemed accepted if a decision has not been given during the period referred to in Paragraph 2 above.
4. The resignation of an employee referred for investigation shall not be accepted until the investigation has ended with other than the penalties of dismissal or pensioning off.
5. An employee shall continue in his or her employment until he or she receives written notification that his or her resignation has been accepted or the period stated in paragraph 2 of this Article has elapsed.

Article (100)

The service of an employee shall terminate for loss of post in one of the following two cases:

1. Absence under the provisions of Article 90 of this Law.
2. If he or she absents himself or herself from his or her job without permission or acceptable excuse for more than thirty non-consecutive days in a year. In this case his or her service shall be considered ended from the day following completion of this period, provided that he or she has been warned in writing after fifteen days of absence.

Article (101)

The service of an employee shall terminate by pensioning off in two cases:

1. Under the provisions of Articles 68 and 70 of this Law.
2. With the consent of the head of department upon a request in writing from the employee, provided that his or her age on submission of such request is not less than fifty years and that he or she has completed the minimum number of years for entitlement to the retirement pension.

Article (102)

The rights of employees whose service has terminated for a reason stated in this Law shall be in accordance with the provisions and rules governing retirement.

Title Six

General and Transitional Provisions

Article (103)

1. The Council of Ministers shall lay down the rules and provisions governing the transfer of employees employed by the Civil Service on the effective date of this Law and in accordance with its provisions to the categories and grades shown in the annexed Tables.
2. As decided by the head of each government department in coordination with the Council of Personnel, one or more committees shall be formed to consider the transfer of its employees under the rules and provisions referred to in Paragraph 1 above.
3. If it is evident that the salary received by an employee on transfer in accordance with the provisions of the two preceding paragraphs is in excess of the salary to which he or she is entitled in the grade to which he or she is transferred, the employee shall retain his or her original salary. Calculation of any increments or increases to which the employee is entitled on reconciling his or her salary to that of the new grade shall be left until the differentials have been used up, in accordance with the procedures for which a Council of Ministers resolution shall be issued.

Article (104)

1. The Council of Ministers shall lay down the rules, provisions and conditions regulating the implementation of any salary increases that may be payable in consequence of the application of this Law to the existing Civil Service employees or those appointed under its provisions.
2. The implementation of the increases referred to above may be performed gradually, on the condition to start with the beneficiaries in the lower categories and grades.
3. The employees appointed under the provisions of this Law shall not benefit from the increases prescribed herein until the latter have been implemented for their equivalents who are already in service.

Article (105)

1. An employee may appeal to the head of his government department against any administrative decision within twenty days from the date of his or her notification thereof.
2. The appeal shall be heard within sixty days from the date of its submission. If this period expires without a reply in writing, the appellant is to regard his appeal as having been rejected.
3. An employee may resort to law within sixty days from the date of receipt of notice of rejection of his or her appeal or upon the expiry of the period mentioned in Paragraph 2 above.
4. The Bylaw to this Law states the procedures for appeal against administrative decisions.

Article (106)

1. A regulation defining the equivalence of positions and grades within the Public Security Forces, the Palestine Liberation Organisation and its institutions, and any other Palestinian authority, to the categories and grades in this Law, shall be promulgated by Council of Ministers resolution.
2. Government departments shall observe the provisions governing equivalence under Paragraph 1 when considering

appointments to or transfers from the categories mentioned above to the Civil Service.

Article (107)

Without prejudice to the provisions of this Law, a regulation shall be promulgated by resolution of the Council of Ministers to set the rules for calculating the period of service or former experience of the personnel of the Palestine Liberation Organisation institutions, elements of the Resistance, released prisoners and the like, and other persons with periods of service or former experience, and due observance is to be paid to non-distinction between beneficiaries from this provision.

Article (108)

Without prejudice to the provisions of this Law, the rules and regulations currently applying to the Civil Service shall remain in force until the Council of Ministers issues its Bylaw and resolutions within a maximum period of one year from the effective date of this Law.

Promulgated in the city of Gaza on May 28th, 1998 *Anno Domini*, corresponding to Safar 2nd, 1419 *Anno Hegira*

Yasser Arafat

Chairman of the Executive Committee of the Palestine Liberation Organisation

President of the Palestinian National Authority

Law No. 11 of 2004 on the Honoraria and Salaries of Members of the Legislative Council, Members of the Government and Governors

The Chairman of the Executive Committee of the Palestine Liberation Organisation,

The President of the Palestinian National Authority

Having reviewed the Amended Basic Law;

Based upon what the Legislative Council approved in its session held on May 5th, 2004,

We hereby promulgate the following Law:

Chapter I: Definitions

Article (1)

The following words and expressions shall have the meanings ascribed thereto hereunder unless the context requires otherwise:

The Law:	The Law on the Honoraria and Salaries of Members of the Legislative Council, Members of the Government and Governors.
The President:	The President of the State of Palestine, President of the Palestinian National Authority.
The Council:	The Palestinian Legislative Council.
The Speaker:	The Speaker of the Palestinian Legislative Council.
Standing Orders:	The Standing Orders of the Council.

The Government:	The Council of Ministers of the Palestinian National Authority.
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The Governor:	The Chairman of the basic administrative unit.
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Honoraria:	The allowances or monthly salaries of the Speaker and members of the Legislative Council, Chairman and members of the Council of Ministers, and Governors.
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Chapter II: The Honoraria and Salaries of the Speaker and Members of the Legislative Council

Article (2)

The Speaker shall earn a monthly honorarium in the amount of (4,000) four thousand US dollars or the equivalent thereof in the legally valid currency. It shall be paid to him for the period extending from the date, on which he assumes his position, until the expiration of his tenure of office or vacancy of his position, whichever is sooner.

Article (3)

With the exception of the Prime Minister and ministers, member of the Council shall earn a monthly honorarium of (3,000) three thousand US dollars or the equivalent thereof in the legally valid currency. The honorarium shall be due as of the date, on which the member makes the oath, towards the expiration of his tenure of office or vacancy of his position, whichever is sooner.

Article (4)

The Speaker and members of the Council or their heirs thereafter shall be entitled to a sum that is equal to (12.5%) of the monthly salary for each year he spent at the Council with a maximum limit that does not exceed (80%) of the total amount set for the monthly honorarium, tied to the cost of living index. It shall be disbursed monthly immediately following the vacancy of his position. For such purpose, fractions of the year shall be calculated as a whole year.

Chapter III: The Honoraria and Salaries of the Prime Minister and Members of the Government

Article (5)

The Chairman of the Council of Ministers shall earn a lump sum monthly salary in the amount of (4,000) four thousand US dollars or the equivalent thereof in the legally valid currency. It shall be paid to him for the period between the day following the day on which the Government wins vote of confidence of the Council and makes the legal oath before the President until the day on which the successive Government is constituted.

Article (6)

The Chairman of the Council of Ministers or his heirs thereafter shall be entitled to a sum that is equal to (30%) of the monthly salary for each year he spent in the Government with a maximum limit that does not exceed (80%) of the total amount set for the monthly salary, tied to the cost of living index. It shall be disbursed monthly immediately following the vacancy of his position. For such purpose, fractions of the year shall be calculated as a whole year.

Article (7)

The minister shall earn a lump sum monthly salary in the amount of (3,000) three thousand US dollars or the equivalent thereof in the legally valid currency. It shall be paid to him for the period extending from the day following the day on which the Government wins vote of confidence of the Council to the day on which his position becomes vacant.

Article (8)

The minister or his heirs thereafter shall be entitled to a sum that is equal to (20%) of the monthly salary for each year he spent in the Government with a maximum limit that does not exceed (80%) of the total amount set for the monthly salary, tied to the cost of living index. It shall be disbursed monthly immediately following the vacancy of his position. For such purpose, fractions of the year shall be calculated as a whole year.

Chapter IV: Honoraria and Salaries of the Governor

Article (9)

The Governor shall earn a monthly salary in conformity with his grade, which the President specifies in the decision on his appointment. It shall be paid to him for the period extending from the date of his commencement of office to the expiration of his service.

Article (10)

The Governor and his heirs thereafter shall be entitled to a sum that is equal to (10%) of the monthly salary for each year he spent as a Governor with a maximum limit that does not exceed (70%) of the total amount set for the monthly salary, tied to the cost of living index. It shall be disbursed monthly immediately following the vacancy of his position. For such purpose, fractions of the year shall be calculated as a whole year.

Chapter V: General and Transitional Provisions

Article (11)

As an exception of the provisions of Articles (4, 6, 8, and 10) of this Law, the pension of the Speaker, member of the Council, Prime Minister, minister or Governor shall not be less than (50%) of the monthly salary, regardless of the period any one of whom spent in such a position.

Article (12)

The Speaker, members of the Council, Prime Minister, ministers, and Governors may not

combine the honorarium and monthly salary or any other honorarium and pension.

Article (13)

The Speaker, member of the Council, Prime Minister, minister, or Governor may combine the pension entitlements provided for under this Law with any other pension entitlements, provided that they do not surpass the maximum limit under this Law. The legally authorised Retirement Committee shall be responsible for the regulation and implementation of all that is related to pension entitlements.

Article (14)

An allowance for the improvement of status in the amount of (US\$ 15,000) or the equivalent thereof in the legally valid currency shall be allocated to the Speaker, member of the Council, Prime Minister, and minister, who exercises the mission for the first time. The amount shall be disbursed once in his lifetime in disregard of the periods of the tenure of office.

Article (15)

1. The other financial entitlements of the Speaker and members of the Council shall be set forth by a decision to be issued forth by the Legislative Council.
2. The other financial entitlements of the Prime Minister, ministers, and Governors shall be defined by a regulation to be promulgated by the Council of Ministers. In both cases, it shall enter into effect after its approval within the framework of the Public Budget and shall be published in the Official Gazette.

Article (16)

Anything that contradicts the provisions of this Decision shall be repealed.

Article (17)

With the exception of pension entitlements, the provisions of this Law shall be effective following its entry into force. It shall not be applicable retroactively.

Article (18)

All competent authorities, each within the sphere of its jurisdiction, shall implement the provisions of this Law, which shall enter into force as of the date of its publishing in the Official Gazette.

Promulgated in the city of Ramallah on October 2nd, 2004 *Anno Domini*, corresponding to Sha'ban 18th, 1425 *Anno Hegira*.

Yasser Arafat

Chairman of the Executive Committee of the Palestine Liberation Organisation

President of the Palestinian National Authority

Law No. 4 of 2005 on Amendment of the Law No. 4 of 1998 of Civil Service

The President of the Executive Committee of the Palestine Liberation Organisation;

The President of the Palestinian National Authority;

Having reviewed the Amended Basic Law;

Having reviewed the Law No. 4 of 1998 of Civil Service;

Having reviewed the Draft Law submitted by the Council of Ministers; and

Based upon what the Legislative Council approved in its second reading during its session held on November 11th, 2004,

We hereby promulgate the following Law:

Article (1)

The provision under Article (9) of the Law No. 4 of 1998 of Civil Service shall be replaced by the following provision:

- 1) With the exception of Ministers, functions at the governmental departments in Palestine shall be divided into the following categories:
 - a. **Special category:** Includes persons appointed to Minister grade from among the heads of governmental departments.
 - b. **Higher category:** Includes employees in higher planning and supervisory functions who shall be responsible for overseeing the implementation of the goals of the governmental departments in the various specialised fields, developing the plans and programmes, and taking the decisions and measures to implement them.

They must have the required academic qualifications and practical experience. Deputy ministers, assistant deputy ministers, heads of departments, and director generals shall be appointed from among employees in this category or the equivalent thereof.

Salaries and other financial entitlements of the occupants of positions in this category shall be determined according to the functional grade stated in the decision of appointment in accordance with the provisions of this Law.

- c. **Category 1:** Includes persons appointed to the function of director or advisor from among those possessing administrative or legal skills. They must have the required academic qualifications and practical experience.
- d. **Category 2:** Includes specialised functions in the various fields. Employees in this category shall be responsible for specialist work in the medical, engineering, administrative, legal, financial, accounting, economic, social, cultural, and educational professions, and the like. This category includes employees in governmental departments who require particular specialist skills.

Employees with management and leadership skills among employees in this category or the equivalent thereof shall be chosen to occupy middle-ranking management and supervisory positions such as directors and heads of divisions, sections, and units.
- e. **Category 3:** Includes technical, clerical, and secretarial functions

such as the typing and keeping of documents and the like.

f. Category 4: Includes vocational functions in the fields of operation, maintenance, movement, and transport, mechanical and electrical workshops, power stations and the like.

g. Category 5: Includes service functions such as security guards, messengers and the like.

2) Each of these categories is deemed a distinctive unit as regards appointment, promotion and transfers within the Civil Service, and shall have a separate list of the seniority of its employees in each grade.

Article (2)

The provision under Article (11) of the Law No. 4 of 1998 of Civil Service shall be replaced by the following provision:

Category 2 employees may be promoted to category 1, and category 1 employees to the Higher Category when they meet the conditions provided for in this Law.

Article (3)

The phrase (Category 1) mentioned under Articles (16, 17, and 71/A) of the Law No. 4 of 1998 of Civil Service shall be replaced by the phrase (Higher Category).

Article (4)

The phrase (Basic salary plus increment for the grade) mentioned under Articles (51/3/1/A) of the Law No. 4 of 1998 of Civil Service shall be replaced by the phrase (Basic Salary).

Article (5)

The phrase (Category 2) mentioned under Article (70) of the Law No. 4 of 1998 of Civil Service shall be replaced by the phrase (Higher Category).

Article (6)

1. Table (1) annexed to the Law No. 4 of 1998 of Civil Service shall be replaced by Table (1) annexed to this Law.
2. Table (2) annexed to the Law No. 4 of 1998 of Civil Service shall be replaced by Table (2) annexed to this Law.

Article (7)

Wherever the phrases (Table (1) and Table (2)) annexed to the Law No. 4 of 1998 of Civil Service appear, they shall be replaced by the phrases (Table (1) and Table (2)) annexed to this Law.

Article (8)

Article (6) / Paragraph (2) of the Law No. 4 of 1998 of Civil Service shall be amended so as to become as follows:

1. The Chairman of the Bureau shall be appointed by a decision issued by the Council of Ministers in accordance with Article (69) of the Basic Law following the recommendation by the Council of Ministers of the candidate to this position to the Legislative Council and the approval of the Legislative Council of his appointment with the absolute majority vote of its members.
2. In the event the Legislative Council rejects the candidate to the position of the Chairman of the Bureau, the Council of Ministers shall nominate another substitute within a maximum period of two weeks from the date on which the Legislative Council rejects his appointment.

Article (9)

The following four paragraphs shall be added to Article (7) of the Law No. 4 of 1998 of Civil Service after Paragraph (8) as follows:

1. The files of the personnel whose services terminate and the form of the limitation of the period of their service shall be transferred to the competent authority to pay the retirement pension dues in accordance with the Retirement Regulation.

2. Expression of opinion in regard of the draft organisational structures and their divisions, tables of functions and job descriptions, which the governmental departments submit prior to their being presented to the Council of Ministers.
3. Liaison with the governmental department in order to promote and develop the public administration through participation therewith in all that is related to regulations, bylaws, instructions and decisions concerning the affairs of civil service.
4. Establishment of a training centre and branches thereof throughout Palestine.

Article (10)

Occupational injury is the accident which is inflicted on the employee while or due to his or her consummation of employee tasks, or during his or her travelling or returning from his or her work. The infliction with one of the profession-related illnesses which the bylaw determines shall be also considered an injury.

Article (11)

1. In the event the occupational injury results in a permanent partial disability, the injured shall be entitled to a cash compensation that is equal to the percentage of disability of the permanent total disability of the compensation provided for in the Retirement Regulation.
2. In the event the occupational injury results in more than permanent partial disability, the injured shall be entitled to a cash compensation for the total of the percentages of disability provided that it does not exceed the compensation determined for the permanent total disability.

Article (12)

The right of the injured to compensation shall be revoked in the following cases:

1. In case the Occupational injury is proven to have been resulted from:
 - a. An intentional act by the injured.
 - b. The injured being under the effect of alcohol or illegal drugs.

2. The lapse of two years in regard of the occurrence of the Occupational injury without claim to such right unless the delay has resulted from the instable condition of the injured employee in accordance with the report of the medical committee.

Article (13)

In the event the employee is subjected to an occupational injury or one of the profession-related illnesses determined by the bylaw of this Law, he or she shall be entitled to:

1. A sick leave with full salary.
2. Necessary treatment at the expense of the National Authority in accordance with what the medical committee decides.
3. A fair financial compensation for the percentage of disability decided in the report of the medical committee in accordance with the provisions of the Retirement Regulation.

Article (14)

The employee may contest the report of the medical committee within thirty days from the date of his or her notification thereof in accordance with the provisions of the Law.

Article (15)

In the event symptoms of a profession-related illness appears on the employee within two years from the date of the termination of his or her service, the employee shall be entitled to all the rights determined therefor in accordance with the provisions of this Law.

Article (16)

1. In case the occupational injury is proved to have been caused by a third entity, the injured employee may choose to obtain legal compensations from that entity or from the National Authority.
2. The National Authority shall be entitled to incur on that entity any financial burdens which it may have incurred or paid as a result of that injury.

Article (17)

In the event the occupational injury leads to death or a permanent total disability resulting in the termination of the service of the employee, the provisions stated in the Retirement Regulation shall be enforced.

Article (18)

The provisions related to the entitlements of the employee resulting from the occupational injury shall not prejudice his or her other entitlements mentioned in the provisions of the Regulation of Retirement.

Article (19)

The due compensation for the injury shall not be seized or transferred to any other person not entitled to it except for the payment of the expenditure and provided that it does not exceed one third of the value of the compensation.

Article (20)

Article (95) of the Law No. 4 of 1998 of Civil Service shall be replaced by the Articles (11, 12, 13, 14, 15, 16, 17, 18, 19, 20) of this Law.

Article (21)

Each provision violating the provisions of this Law shall be repealed.

Article (22)

All competent authorities, each within the sphere of its jurisdictions, shall implement the provisions of this Decree Law, which shall enter into force immediately following its publishing in the Official Gazette.

Promulgated in the city of Ramallah on April 2nd, 2005 *Anno Domini*, corresponding to Safar 23rd, 1426 *Anno Hegira*

Mahmoud Abbas

Chairman of the Executive Committee of the Palestine Liberation Organisation

President of the Palestinian National Authority

The Law No. 7 of 2005 on Public Retirement

The Chairman of the Palestine Liberation Organisation;

The President of the Palestinian National Authority,

Having reviewed the Amended Basic Law;

Having reviewed the Law No. 8 of 1964 of Insurance and Salaries and its amendments effective in the Governorates of Gaza;

Having reviewed the Law No. 34 of 1959 of Civil Retirement effective in the Governorates of the West Bank;

Having reviewed the Law No. 16 of 2004 of Insurance and Salaries of the Palestinian Security Forces;

Having reviewed the Law No. 4 of 1998 of Civil Service and its amendments;

Having reviewed the Draft Law submitted by the Council of Ministers; and

Based upon what the Legislative Council approved during its session which convened on April 7th, 2005,

I hereby promulgate the following Law:

PART ONE:

Definitions and the Scope of the Law

Article (1)

The following terms and expressions, mentioned in this Law, shall have the meanings specified below, unless the context determines otherwise:

The National Authority	The Palestinian National Authority.
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The President	The President of the National Authority.
The government	The Council of Ministers of the National Authority.
The Prime Minister	The Head of the government.
Minister	Each person who functions as a Minister in the National Authority or each person who occupies a governmental function ranking as Minister
Treasure	The treasure of the National Authority.
Employee	Each person who is appointed by a decision by a competent authority to occupy a function included in the Regulation of the Structures of Civil or Military Functions on the budget of a governmental department, whatsoever is the nature of such function or its name or any other employee provided by laws and regulations that he shall be subject to the Law of Public Retirement.
Governmental department	Any Ministry, department, public institution, authority, commission or any other party whose budget lies within the general budget of the Authority or annexed thereto.

Pensioner	The employee who is pensioned off in pursuance of the provisions of the Law.	Obligatory contribution	A sum or percentage of the salary of which the employee is obliged to deliver to the keeper as a contribution by him or her for the benefit of the account of the basic salary. The government shall deduct and deliver the percentage to the Commission.
Subscriber	The employee who associates with the system of public retirement and to whom the provisions of the Law shall be applicable.	Optional contribution	A sum or percentage of the salary which the employee requests the government to deduct it from his or her salary in an optional manner and shall be transferred to his account by the keeper.
Keeper	The Bank or financial institution which is appointed by the Board of Directors of the Commission to keep and manage the funds and properties of the Commission in accordance with the instructions of the Board of Directors.	Retirement returns	The interests and profits which are due from the investments of all of the sums belonging to the retirement basic system and the sums designated in the account of the employee.
Beneficiary	The person who gains retirement benefits following the enforcement of the Law, which includes the pensioner and those entitled to pension in accordance with the provisions of the Law.	Retirement pension	The monthly sum or the amount of the one payment or a mixture thereof to be paid for the employees of the public sector or any category included in the provisions of this Law as it becomes due.
Salary	The monthly amount which the employee earns and from which the contributions are deducted, including the basic salary and fixed increments (which is the increment of the nature of work), periodic increments and the increment of the high cost of living.	Retirement of successors	The amount of the retirement pension which the successors to the deceased employee receive in accordance with the provisions of the Law.
Subscriber's contribution	The sum which is deducted from the salary of the employee on a monthly basis in pursuance of the Law.	The age of early retirement	The age which is less than the age of compulsory retirement in accordance with which this Law allows the employee to retire on pension and receive a retirement pension and to benefit from the other retirement contributions, shares, returns and benefits.
Government's contribution	The monthly sum which is paid from the treasure of the National Authority for the benefit of the employee.		

Board of directors	The board which is formed in accordance with the provisions of this Law and which assumes responsibility of the management of the Retirement Commission.	Auditors	The specialised persons who perform the accounting and financial auditing for all of the operations of the Commission in accordance with the provisions of the Law.
Chairperson of the board of directors	The chairperson of the board of directors of the Commission of retirement.	Auditing committee	A group of persons, specialising in accounting, whom the Commission appoints to perform tasks of accounting and financial auditing for the operations of the Commission.
Entitled persons	The persons who are entitled to benefit from the basic retirement pension and the funds accumulated in the optional account of the retired employee.	Public Directorate of Salaries	The authorised department at the Ministry of Finance which prepares and pays the salaries of the public sector employees.
Investments	The sums which the Commission requests from investment experts (the investment manager or managers) to invest for the benefit of the employee on his or her behalf in the domains and places determined in accordance with the provisions of this Law and bylaws issued in accordance therewith.	Military Financial Administration	The financial administration which assumes the implementing of the budget of the military sector, including the preparation of the salaries of military officers.
The years of retirement service	The period of the service that is admitted for retirement in pursuance of the provisions of this Law, the due financial amounts of which have been paid in full to the Commission.	Actuarial study	A specialised statistical financial study which estimates the prospective revenues and expenditures of the Commission as per the contributions and benefits of employees and pensioners and demographic factors related to the employees subject to the Law of Public Retirement.
The Commission	«The Palestinian Retirement Commission» which is established in pursuance of the provisions of this Law.	Financial equilibrium	The situation which enables the Commission to pay all of the due pension entitlements through the sums saved available to it, whether from the contributions of subscribers and/or investment returns of such funds.
Accounts	The accounts of the former retirement systems in accordance with Law No. 34 of 1959 and Law No. 8 of 1964, in addition to the accounts of the new systems which are the «Defined Benefit System» and «Defined Contribution System» and knowledge of this Law.		

Other systems	The retirement systems other than the system mentioned in this Law.	Defined contributions	The defined percentage of the salary which the employees included in the provisions of the Law pay on a monthly basis as a contribution by them to be registered in their account at the Commission.
Investments committee	The committee formed within the Commission which is assigned to examine investment situations and to submit recommendations related to the investment of the funds of the Commission to the board of directors.	Defined Contribution System	«A retirement system» in which the categories of employees included in the provisions of the Law choose to contribute a defined amount of their salaries, so that the pensioner obtains such amounts in full upon retirement in addition to the contribution of the government in this system and retirement returns.
Investments manager	The specialised person or financial institution which is appointed by the Commission to assume the management of the investment of the funds of the Commission in accordance with the instructions of the board of directors as per the best practices.	Conflict of interests	The conflict of the interest of a particular individual with his or her duty and/or obligations towards the Commission, thereby creating a situation and a state whereby the decision of the official in charge is subject to be affected by means of a personal interest.
The record of the consumer prices	The record of prices which is counted and publicised by the Palestinian Central Bureau of Statistics.	Libor interest	London inter-bank offer rate.
Defined benefits	The return which is previously identified and guaranteed that grants the categories of employees included in this Law the right to receive it by the Retirement Commission in accordance with the provisions of this Law.	Public sector	Includes the employee of the civil sector and Palestinian security officers, including the employees of the Palestine Liberation Organisation who bear responsibilities abroad and whose salaries are paid from the budget of the National Authority, provided that they do not benefit from another governmental retirement system.
Defined Benefit System	«A retirement system» in which pensioners are included in accordance with the provisions of this Law possess the right to receive a retirement pension or remuneration that is defined and counted on the basis of the salary and years of service.		

Article (2)

The provisions of this Law shall be enforced to all employees of the public sector, employees of the local bodies and non-governmental and civil society organisations subscribing in the retirement system in accordance with its provisions which shall cover the providing of retirement benefits in the following cases:

1. Retirement on pension.
2. Infirmity or disability to work.
3. Death.

PART TWO

Chapter 1: Establishment of the Commission and its Duties

Article (3)

1. In pursuance of the provisions of this Law, a Commission to be called the (Palestinian Retirement Commission) shall be established and shall enjoy the legal personality, financial and administrative independence and legal eligibility so as to commence all the acts and practices which safeguard the achievement of its purposes, including the possession of movable and immovable properties that are necessary for the progress of its acts and to exercise its activity and dispose therewith in accordance with the provisions of the Law.
2. The main office of the Commission shall be located in the city of Jerusalem. The Commission shall also have the right to inaugurate branch offices in the other governorates.
3. The Commission shall enjoy exemptions and facilities granted for Ministries and governmental departments and any other exemptions to be granted for the Commission in pursuance of the Law.

Article (4)

The funds of the Commission shall be composed of the following resources:

1. The subscriptions which shall be deducted on a monthly basis from the salaries of the

beneficiaries from the provisions of this Law.

2. The contributions which shall be delivered by the parties which are obliged of the salaries of the beneficiaries.
3. The yield of the investment of the funds of the Commission.
4. The other resources resulting from the activity of the Commission.

Article (5)

The Commission shall perform the following duties:

1. Regulate, manage and supervise the retirement system in pursuance of the provisions of this Law.
2. Ensure that the assets are being invested in a manner that safeguards the capital and guarantees the achievement of the highest possible return, taking into consideration the factors which may affect the funding of the Commission and its capacities and ability to meet the financial needs and requirements in accordance with a regulation to be issued in this regard.
3. Exercise all the responsibilities assigned to it within the highest professional responsibility criteria in the due form.

Article (6)

The Commission and its departments shall be prohibited from exercising any acts and/or powers and/or activities that do not conform to the objectives of the Commission and it shall also be prohibited from borrowing in order to fund its operational budget.

Article (7)

The running budget of the Commission shall be funded by the subscribers' contributions, provided that they do not exceed "2%" of the subscriptions during any fiscal year and the Commission shall be obliged to obtain the approval of the Legislative Council in advance in such cases of compelling necessity and in the event the running budget requires to exceed such percentage.

Chapter 2 :Subscribers

Article (8)

1. The following categories shall benefit from the provisions of this Law:
 - A. Civil employees and Palestinian security officers who earn their salaries from the general budget.
 - B. The employees of the Palestine Liberation Organisation who assume responsibilities abroad and whose salaries are paid from the general budget, provided that they do not subscribe to other governmental retirement systems.
 - C. The employees of the local bodies and public institutions which explicitly request to subscribe to the retirement system in accordance with the provisions of this Law.
2. Non-governmental civil society institutions may subscribe so as to include their employees in this Law. A by-law thereof shall be drawn up and issued by the Council of Ministers.

Article (9)

The following categories shall not benefit from the provisions of this Law:

1. The employees in the public sector who are above the age of (45) years on the date of the enforcement of this Law. Those employees shall continue the financial contribution and obtain the retirement benefits in accordance with the Laws to which they are subject.
2. The subscriber who is appointed or transferred to work in an institution or commission whose employees are not subject to the provisions of this Law.

Article (10)

The subscriber to this system may subscribe in other non-governmental retirement systems.

Chapter 3: Accounts

Article (11)

The retirement system shall be comprised of:

1. The Defined Benefit System.
2. The Defined Contribution System.

Article (12)

The Commission shall establish the following accounts:

1. A special account to include the entitlements and contributions of subscribers in the former retirement system which is derived from Law No. 8 of 1964 (the 10% system).
2. A special account to include the entitlements and contributions of officers, non-commissioned officers and members of the Palestinian security forces in accordance with the Law No. 16 of 2004 of Insurance and Salaries of the Palestinian Security Forces.
3. A special account to include the entitlements and contributions of the subscribers in the former retirement system which is derived from the Law No. 34 of 1959 of Civil Retirement (the 2% system).
4. A special account for the purposes of the "Defined Benefit System" provided for in this Law.
5. A special account for the purposes of the "Defined Contribution System" provided for in this Law.

Chapter 4: The Tax Transaction

Article (13)

1. The investment revenues of the Commission and retirement pensions shall be exempted from the income tax.
2. The contributions of the subscriber shall be subject to the income tax.

Article (14)

The Commission shall collect its funds in accordance with the laws and regulations concerning the collection of public funds.

PART THREE

The System of the Public Sector Employees

Chapter 1: Contributions

Article (15)

The percentage of compulsory contribution shall be unified as to all beneficiaries.

Article (16)

The salary shall be the basis from which the percentage of contribution by the subscriber or the government or any other party which is obliged to the salaries of the employees shall be counted.

Article (17)

1. The compulsory contribution by the government to the Defined Benefit System shall be (9%) of the salary.
2. The compulsory contribution by the subscriber to the Defined Benefit System shall be (7%) of the salary.

Article (18)

The compulsory contribution by the government to the Defined Contribution System shall be (3%) and by the subscriber (3%) of the salary. The subscriber shall be entitled to contribute with any other additional percentages, provided that such does incur any additional financial obligations on part of the government.

Article (19)

1. The Directorate of Public Salaries at the Ministry of Finance shall transfer the contributions of the subscriber and government to the accounts allocated for such purpose with the keeper of the Commission. The Director General of Salaries shall inform the keeper and the administration of the Commission of such transference. The keeper shall immediately notify both the administration of the Commission and the Directorate of Public Salaries of his or her receipt of such a draft.

2. The Directorate of Public Salaries at the Ministry of Finance shall, in cooperation and liaison with the Military Financial Administration, transfer the contributions of the governments and contributions of the military service officers to the accounts allocated for such purpose with the keeper of the Commission. The Director General of Salaries shall inform the keeper and the administration of the Commission of such transference. The keeper shall immediately notify each one of the administration of the Commission, the Directorate of Public Salaries and the Military Financial Administration of his or her receipt of such a draft.

3. The Directorate of Public Salaries shall provide the Commission with the registers of salaries which include all the information necessary to preserve the registers of individual accounts of the members of the Defined Benefit System and Defined Contribution System.

4. With the exception of the public sector employees, the parties which are obliged of the salaries of the employees subscribing in the retirement system shall perform the following:

- a. Transfer the contributions of the subscriber and its own contribution to the accounts allocated thereof by the keeper of the Commission. Such party shall inform the keeper and Commission of such transference. The keeper shall immediately notify both the administration of the Commission and employer of his or her receipt of such draft.

- b. Provide the Commission with the registers of salaries which include all of the individual information to preserve the individual accounts of the members of the Defined Benefit System and Defined Contribution System

Chapter 2: Preservation of Records and Book Keeping

Article (20)

For the purposes of accounting, the Commission shall be responsible for the

conformity of any differences that may take place in the financial registers or transferences to the various accounts by means of double registration by each of the following:

1. The Directorate of Public Salaries and any other department authorised of the paying of salaries.
2. The Commission.
3. The keeper.
4. The investments manager.

Article (21)

The Public Directorate of Salaries and employers shall inform subscribers on a monthly basis and by means of the statement of salaries and/or coupons of salaries of the volume of sums which have been deducted from them for the benefit of the retirement systems.

Article (22)

The Commission shall provide the subscriber every three months with an assessment regarding the account of the defined contributions relevant to him or her. The report must contain the following data:

1. The name of the subscriber and number of his or her subscription in the account.
2. All transferences to the account within the quarter of the year under discussion.
3. The balance of the account and distribution of the investments of the account on the last day of the quarter of the year under discussion.

Chapter 3: Time Allotments and Fines

Article (23)

Time allotments of the transference of contributions and fines resulting from the delaying of transference shall be regulated in accordance with the following bases:

1. The payments of contributions mentioned under Article (19) above shall be registered de facto for the benefit of the Commission on a date the maximum deadline of which is the fifteen of each month.

2. In the event the government and other employers are unable to transfer the contributions or they have not been paid on the date assigned, the Commission shall be authorised to impose immediate transference of such contributions, in addition to the imposing of delay fines totalling (1%) of the value of any delayed contributions.
3. In case the period of the delay of the transference of such contributions exceeds one month, the price of the labor interest + 1% shall be imposed on the delayed amount within the first year in addition to the fine imposed in pursuance of Clause (2) above.
4. In regard of the contributions that are late for a period of time exceeding one year, negotiation thereon shall be conducted in order to convert them into commercial loans on the treasure.
5. Contributions, any payments of fines, late interests, costs of the implementation of collection, additional fees and extension fees which are imposed on due contributions but not paid on the scheduled time shall be collected in accordance with the Administrative Instructions of Collection which are issued by the Commission.
6. The treasure or other employers may not request the return of any drafts which have been erroneously transferred to the Commission following an elapse of five years from their being transferred.
7. The payments transferred in accordance with the provisions of Paragraph (6) above may be taken into consideration upon the arranging of received payments during a maximum period of the first five years.
8. The payments of late interests, collection expenses and any additional fees will be fully financed by the government and other employers and shall be estimated by the Commission.

Article (24)

1. The Commission shall conduct an actuarial consultative study every three years so as to determine the percentage of contributions and benefits again, taking into consideration the indicators of other

- systems in order to reach the financial equilibrium.
2. The study shall be prepared by a specializing actuary in accordance with the requirements of the International Accounting Standards.

Chapter IV: The Benefits

Article (25)

1. The subscriber shall have the right to obtain retirement benefits in the Defined Benefit System in accordance with the following:
 - a. An infirmity pension to be counted on a basis of (2%) for each year of service from the average of the salary for the last three years of the years of service counted for the purposes of retirement.
 - b. The subscriber shall have the right to obtain the physical disability pension at an average of (2%) for each year of service from the average of the salary for the last three years, taking into consideration that the years of service which are counted for the purposes of retirement shall be the number of the actual years of service up to the date of injury or disability to which half of the remaining years up to the reaching of the age of compulsory retirement shall be added, provided that the years of service counted for the purposes of retirement do not exceed 35 years.
2. In case three years of service are not available for the purposes of the counting of the salary average, benefits shall be counted on the basis of the average of the salary for the actual years of service.
3. In case of decease, successors shall receive the same amount of the retirement pension which the deceased used to earn in the event he or she had been retired on pension before death. In the event a subscriber dies during the actual service, the retirement pension shall be counted in accordance with the bases approved for the counting of the salary of the physical disability mentioned under Paragraph (1), Clause (B) above. The retirement

pension and the sum of insurance shall be distributed to the entitled successors in accordance with Table (2) under Article (34) below.

4. In addition to the benefits mentioned under Paragraph (1) above, the subscriber shall, in case of decease or health non-fitness due to a permanent physical disability resulting from a work injury or accident that took place while he or she was performing work or due thereto, be entitled to obtain a sum of insurance to be paid to him or her by the Commission that is equal to the percentage of the annual salary based on age in accordance with Table (1) below:

Table (1): Statement of the Percentage of the Sums of Insurance

Age Up to age	Percentage of the sum of insurance %	Age Up to age	Percentage of the sum of insurance %
25	267	43	147
26	260	44	140
27	253	45	133
28	247	46	127
29	240	47	120
30	233	48	113
31	227	49	107
32	220	50	100
33	213	51	93
34	207	52	87
35	200	53	80
36	193	54	73
37	187	55	67
38	180	56	60
39	173	57	53
40	167	58	47
41	160	59	40
42	153	60	33

**** Note: Upon the determination of age, the fractions of a year shall be deemed to be a complete year.**

5. The share of successors of the retirement pension shall be paid as follows:
 - a. To the widow or widows or to the daughter if they are married.
 - b. If the dependent son or daughter or siblings reach the age of (21 years) without being enrolled in universities or the age of (26 years) in case he/she is joining a university or higher institute.
6. Benefits shall be modified by a decision to be issued by the Council of Ministers at least once every three years depending on the increase in the average record of the consumer's prices in the National Authority within such period.

Article (26)

The Defined Contribution System:

1. The subscriber, as he or she reaches the age of compulsory retirement, shall be entitled to the whole sums which have been accumulated in his or her name in the special account mentioned under Article (12), Clause (5) above, including the share of the employee, the share of the government and the pension returns. He or she shall have the right to choose between one of the following alternatives:
 - a. The whole sum as one payment upon retirement.
 - b. A monthly sum throughout [his or her] lifetime or as per a timetable to be agreed upon.
 - c. A synthesis of the alternatives stated under A and B above.
2. In the event of disability, the subscriber shall be able to withdraw the whole sum as one payment.
3. In case of the subscriber's decease, the beneficiaries / entitled persons shall receive the whole sum as one payment which shall be distributed among them in accordance with the Table stated under Article (34) below.

Chapter V: Eligibility to Benefit from the Retirement Pension

Article (27)

Eligibility to benefit from the pension of compulsory retirement shall be defined as follows:

1. The compulsory age to receive an infirmity retirement pension shall be (60) years, provided that (15) years of service that are admissible for the purposes of retirement are available with all due contributions being paid.
2. The subscribers who have completed twenty years of service that are admissible for the purposes of retirement and who have reached (55) years shall receive an infirmity retirement pension.
3. The minimum limit of the years of contribution to receive an infirmity retirement pension shall be (25) years of service that are admissible for the purposes of retirement and who have reached the age of (50) years.
4. The subscribers who have completed (20) years of services that are admissible for the purposes of retirement and who have reached the age of (50) years may receive an infirmity retirement pension in the event they have been working in the following functions:
 - a. Officers of the security forces.
 - b. Laboratories and X-ray centers.
 - c. Employees of the drilling for oil and gas.
 - d. Miners.
5. In case the subscriber reaches the age of sixty and he or she is not eligible to receive a retirement pension, he or she shall obtain his or her contribution together with its simple interests as one payment in the year during which he or she reaches the age of sixty.

Article (28)

In case of resignation, the retirement pension entitlements in the retirement systems shall be paid as follows:

1. Defined Benefit System:

- a. In case an employee resigns before he or she is entitled to the retirement pension, it may be possible and with the agreement of the employee to transfer all the years of service registered for his or her account, and for which financial contributions are paid in accordance with the effective Defined Benefit System, to the new substitute benefit system in which the employee becomes a member, or any similar system which is effective in the private sector.
- b. In case the possibility of funding is not available for the former employee, the Commission shall return the whole contribution of the employee, to which interests are added, on the date that is closest to the decease of the employee, or his or her disability or reaching of the infirmity retirement.
- c. In case a former employee joins the service, the previous years of service which have not been transferred to the substitute retirement system shall be registered as if a period of interruption had not taken place.
- d. Without violation of Paragraph (A) above, the subscriber who resigns from service and who has three years of service or less may request the payment of the whole of his or her contribution in the Defined Payment System, provided that the subscriber pays the contributions all at once or as per monthly payments to be agreed upon in case he or she is returned to service within five years from his receipt of the return or contribution. When the subscriber withdraws his or her own contributions, the contribution of the government shall be deemed to be irregular revenues for the Commission.

2. Defined Contribution System:

- a. In case an employee withdraws from service before he or she becomes entitled to the retirement pension, it may be possible and upon request by the employee to transfer his or her balance of account in the Defined

Contribution System to any similar subsequent substitute system which the employee joins.

- b. Before such transference takes place, the former employee shall have the right to preserve all of the entitlements of the amount accumulated in the account and the right to continue to control investment in the account.
- c. In the event the employee does not transfer the balance of account to a similar subsequent system, the Commission shall pay the sum in accordance with the case of the employee, that is whether in the event of death, disability or reaching of the age of compulsory retirement. The amount of the transferred benefits shall include the balance of account on the date of the withdrawal by the employee, in addition to all of the obligations and returns resulting from the account.
- d. The Commission shall have the right to close the account of resigning employee and to distribute the balance in case he or she is deceased as is provided for in the regulations and instructions.
- e. The rules of this Article shall apply to persons withdrawing from work in an optional or obligatory manner.

Article (29)

Eligibility to obtain a retirement pension in case of a permanent partial or permanent complete physical disability, shall be determined by a specialised medical committee to be chosen by the Commission, provided that the employee:

1. is under the age of (60) years.
2. is ineligible to receive an infirmity or early retirement pension.
3. has had his physical disability confirmed by a specialised medical committee to be appointed by the Commission, provided that his or her condition is to be considered again in accordance with what the medical committee decides.

Article (30)

1. The medical committee shall, either by itself or upon request by the Commission, reexamine and reevaluate the health condition of pensioners due to disability at least every two years in order to ensure that the beneficiaries still benefit in accordance with the conditions to receive the disability retirement pension.
2. In the event the employee recovers from his or her disability, he or she shall be returned to his or her function and the period of interruption from work shall be counted as years of service for the purposes of retirement, provided that the both the employee and the government pay their contributions for the period of interruption. The bylaw shall determine the conditions thereof and the period of interruption allowable for the employee to return to his or her function thereafter.
3. Successors shall be entitled to receive the successors' retirement pension in the event the deceased had been receiving a retirement pension at the time of his or her death or in the event he or she is eligible to receive a retirement pension in accordance with the Defined Benefit System as per the provisions of this Law.
4. In case the number of successors changes, the retirement pension shall be recounted and distributed to the successors in order to preserve equal shares for the entitled successors in accordance with Table (2) annexed to Article (34) below.

Article (32)

The entitled successors shall be the following:

1. The widow or widows of the subscriber.
2. Children and siblings under (21) years and who were supported by the subscriber prior to his or her death.
3. Children and siblings under (21) years and under (26) years who were supported by the subscriber prior to his or her death and who are still pursuing their higher education.
4. Children and siblings who were supported by the subscriber prior to his or her death and those who are unable to earn a

living by virtue of physical reasons. The medical committee which is formed by the Commission shall determine whether the health condition of any of them impedes him or her from working or not.

5. Unmarried, divorced or widowed female daughters and siblings.
6. The parents of the subscriber.
7. The husband of the female subscriber, in the event he was at the time of her death unable to earn a living in physical terms or unable to support himself, in accordance with the report of the medical committee which is established by the Commission.

Article (33)

Additional conditions to benefit from the successors' retirement pension:

1. The payment of the retirement pension to the widow shall cease upon her being married. Her entitlement to the retirement pension shall be recovered in the event she is divorced or widowed for the first time within ten years from the date of her being married. In the event the share of the widow has been redeemed to the children of the pensioner or the parents, only the remaining part of her retirement pension shall be returned to her without redemption.
2. The widow may not combine between her retirement pension from her first husband and her retirement pension from her last husband. In such case, the larger amount of the retirement pension shall be paid to her.
3. Upon the death of the subscriber, it is stipulated that there shall not be an income of the partner (brothers, daughters and sisters) or that their income is less than the amount of their entitlement. For such purpose, the maintenance that is paid for the daughters and sisters shall not be deemed to be an income, and the beneficiary person must prove that he or she has not received an income or that his or her income is less than his or her entitlements by means of a testimony from the concerned party which supports his declaration. In the event a private income is available, the amount of the income shall be deducted

from the retirement entitlements. The retirement entitlements shall be defined again on an annual basis in light of the changes taking place in regard of the income, whether increasing or decreasing.

4. In order to obtain the successors' retirement pension, the entitlement of the mother shall be bound to her not being married to any person other than the father of the deceased.
5. The pension of the daughters and sisters shall be severed upon their being married. The daughter or sister shall be granted the retirement pension which she has been entitled to in the event she is divorced or widowed within a maximum period of ten years from the date of marriage or from the date of the death of the beneficiary or pensioner without violation of the rights of the remaining entitled persons.
6. The husband, upon the death of his wife, shall be entitled to the share which is

defined in the Table in the event he was at the time of her death infected with a physical disability that prohibits him from earning a living. The state of disability shall be proven by a decision by the medical committee in the Commission. He shall be stipulated not to have a private income at the time of death which is equal to or exceeding the amount of his entitlement to the retirement pension. In case the income is less than what he is entitled to, a retirement pension shall be paid to him in the amount of the difference. In such case, the remainder of the retirement pension due to the wife shall be distributed to the beneficiaries within the limits of the shares detailed in the aforementioned Table without the presence of the husband.

Article (34)

The retirement pension shall be distributed to the successors in accordance with the following table:

Table (2): Due Shares in the Retirement Pension

Case Number	Entitled Persons	Widows	Children	Parents	Siblings
1	Entitled widow or widower or spouse and more than one son	0.5 half	0.5 half	—	—
2	Entitled widow or widows or spouse and one son and parents	0.5 half	One third	One sixth for each one of them	—
3	Entitled widow or widows or spouse and one son	0.5 half	One third	—	—
4	Entitled widow or widows or spouse or more than one child and parents	One third	0.5 half	One sixth for each one of them	—
5	Widow or widows or entitled spouse and parents without presence of children	0.5 half	—	One sixth for each one of them	—
6	More than one child and parents without presence of an entitled widow or spouse	—	0.75 three quarters	One sixth for each one of them	—
7	One child and parents without presence of an entitled widow or spouse	—	0.5 half	One third for each one of them	—
8	Parents without presence of an entitled widow or spouse	—	—	One third for each one of them	—

9	A brother or sister without presence of an entitled widow or spouse with no children nor parents	—	—	—	One sixth
10	More than one brother or sister without presence an entitled widow or spouse with no children or parents	—	—	—	One third in equal proportion

Article (35)

1. In the event of the marriage or death of a widow following her being entitled to a retirement pension, her share shall devolve to the children of the pensioner who receive retirement pensions at the time of her being married or decease, and it shall be distributed among them in equal proportion, provided that the total of their entitlement does not exceed the rates detailed in Case no. (6) or Case no. (7) as necessary. This provision shall be enforced to the entitled husband in case of his decease.
2. In the event the amount granted for the parents in Case no. (4) is lower than one sixth as a result of the presence of an income, the remainder shall be returned to the widow.
3. Upon the death of one of the parents in Case no. (4), his or her share shall devolve to the widow. In the event she is deceased or been married, such share shall devolve to the children, provided that the total of their entitlement does not exceed the rates detailed in Case no. (6) or Case no. (7) as necessary.
4. The entitlement of the brothers and sisters to a retirement pension shall be stipulated to have been proven by the support of the testator to them during his lifetime.

Article (36)

1. The civil employee included in the Law may receive an early retirement pension following the approval by the Commission and completion of (15) years of service that are counted for the purposes of retirement and reaching of the age of (55). In such case, the retirement pension in accordance with the Defined Benefit

System shall decrease by (4%) for each year or part of year until reaching of the age of compulsory retirement which is defined to be at sixty years.

2. The security forces included in the Law may receive an undiminished early retirement pension following the approval by the Commission and completion of (15) years of service that are counted for the purposes of retirement and reaching of the age of fifty years.
3. In the event an officer of the security forces wishes to move to work in another sector which is subject to the Defined Benefit System, all of the years of military service shall be transferred to the new sector and counted for the purposes of retirement.
4. In the event the military officers does not become a member of a new retirement system, the Commission must return all of the sums which have accumulated for him or her in addition to the investment revenues as per the status of the military officer and the provisions of the Law.
5. In the event an officer of the security forces withdraws from his or her function, his or her balance of account in the Defined Contribution System shall be transferred to the new Defined Contribution System in which he or she shall become a member.
6. In the event the officer of the security forces does not become a member of another retirement system of the defied contribution systems, the Commission shall pay to him or her the balance of account in accordance with his or her status and the provisions of the Law.

Chapter VI: Procedures to Receive the Retirement Pension

Article (37)

Procedures to receive the retirement pension shall be determined by the following:

1. The Commission shall establish a system for claiming retirement benefits including forms, procedures, directives and necessary appointments as provided for in the instructions.
2. The subscriber shall submit to the Commission the application of the retirement on pension upon his or her being entitled to such benefits.
3. The Commission, upon the receipt of the application, must verify the validity of the information stated therein and inform the person applying for retirement immediately of the entitled benefits.
4. The Commission shall give its instructions to the keeper to transfer the retirement benefits to the bank account of the pensioner in accordance with the dates defined in the instructions. In case of delay, the pensioner shall be entitled to receive financial compensations in accordance with what is to be approved.
5. The Commission shall conform the payments of the retirement benefits paid to the pensioners in the accounts of the keeper and other financial institutions that are relevant to the payments of benefits.

Article (38)

The subscriber shall have the right to file a challenge before the authorised committee that is established by the Commission in case a conflict takes place between him or her and the Commission. In the event the committee is unable to reach a resolution, the subscriber may resort to the judiciary.

PART FOUR: The Administration of the Retirement Commission

Chapter I: The Board of Directors

Article (39)

1. A board of directors to be comprised of nine members shall be responsible for the management of the Commission as follows:
 - a. Three professional members specialising in financial and economic matters.
 - b. The chairperson of the Commission.
 - c. The chairperson of the General Bureau of Personnel.
 - d. The chairperson of the Organisation and Administration Body.
 - e. A representative of the employees of the local bodies to be selected by their representative parties.
 - f. A representative of pensioners to be selected by their representative parties.
 - g. A representative of the Ministry of Finance to be selected by the Minister of Finance provided that he or she shall be ranking as director general at least and be specialising in financial and economic matters.
 - h. All of the board members shall be stipulated to be from among the persons known for their integrity and against any of whom not a judgment in a crime or misdemeanor violating honour or trust has been issued.
 - i. With respect to its acts, the board of directors shall be held accountable before the Council of Ministers and the Legislative Council.

Article (40)

The chairperson of the Commission shall be the secretary of the board, be responsible for the management of the Commission in a direct manner and perform the administrative acts in accordance with the Law, regulations,

instructions, decisions and directives of the board of directors.

Article (41) Duties of the Board of Directors

In accordance with the provisions of the Law, the board of directors shall supervise the management of the acts and affairs of the Commission. It shall be vested with the following responsibilities:

1. To decide an investment policy for the funds of the Commission, taking into consideration the principle of sustainability, including the development of written investment objectives and the determination of criteria and mechanisms for investments. In particular, the investment policy must identify:
 - a. The categories of the assets allowable to be possessed.
 - b. The distribution of ownership and anticipated revenues, the tools and types of risks and financial tools.
2. To approve the draft budget of the Commission that is submitted by the chairperson of Commission.
3. To ensure that the chairperson of Commission has implemented the policies of the board in a trustworthy and honest manner in all that is related to his or her acts and obligations.
4. To design, observe and review the standards of the control of the internal risks and the operation system.
5. To control the conflict of interests and misuse of detailed information, including the drafting of written instructions and procedures in order to identify and determine the potential cases of the conflict of interests, develop procedures for the resolution of such conflicts and draw up an honour charter for the board members and staff members of the Commission.
6. To review the annual auditing and annual financial data and approve the annual report respecting the activities of the Commission and evaluate the assets submitted by the chairperson of Commission.
7. To implement the process of the raising of the awareness of the subscribers and

entitled beneficiaries, inter alia, who relate to retirement, including the revealing in a timely manner of the information necessary for the subscribers in the system and the pensioners, including their financial entitlements and obligations in accordance with relevant bylaws and instructions.

Article (42) The Delegation of Powers

1. The board of directors shall be entitled to delegate some of its powers or all of them to the chairperson of the board and/or to a committee of the board members. The board may not, however, delegate the following powers:
 - a. The approval of a change or repealing of the instructions.
 - b. The approval of the investment policy and the criteria and procedures related to the Commission.
 - c. The approval of the budget and approval of the conclusive financial data and any other financial data to be issued by the board.
 - d. The board shall bear the full responsibility of control and supervision over all the powers that are delegated to it and shall remain responsible for all the decisions to be taken. The board may not in any case exempt itself from its responsibilities through the delegation of the powers of some functions and duties to a third party.

Article (43) The Appointment of Members

Without violation of the provisions of Article (39) above, the President of the National Authority shall promulgate a decree to appoint the members of the board of directors of the Commission based upon the recommendation by the Council of Ministers. The decree shall also identify the chairperson of the board and his or her deputy, whose selection shall take into consideration their capability of the work and its [the board] development and organisation.

Article (44)

The term of membership in the board of directors shall last for four years. The term of

membership may be extended to a maximum of another term and by a recommendation by the relevant representative party in accordance with the provisions of Article (39) above.

Article (45)

In the event the position of the chairperson of the board or his or her deputy becomes vacant or that of any member prior to the termination of the term of his or her membership, a substitute for him or her shall be constituted in accordance with the provisions of Articles (39, 41, 43, and 44) above in order to complete the remaining period.

Article (46)

Any person who is to be appointed as member of the board of directors shall be required to meet the following:

1. To be at least ((35)) years of age.
2. Not to be incapacitated in pursuance of a decision by a Palestinian court or another court.
3. Not to have declared his or her bankruptcy.
4. To enjoy trustworthiness, honesty and capability of work.
5. To fulfill integrity and good reputation and conduct.
6. Not to have been convicted in a crime or misdemeanor that is violating honour, morals and trust and aggression against public or private property.

Article (47)

The member of the board of directors shall have the right to receive a financial remuneration and benefits as shall be provided for in the regulation. The volume of remunerations and benefits shall be determine in analogy with what the board members receive in similar institutions in respect of responsibilities and activities in accordance with a regulation to be issued by the Council of Ministers.

Article (48)

The resignation of the board members shall commence on the date of its being

received in writing and signed or on the date stated therein, any date of which is farther. Thereupon, the chairperson of Commission must ensure that all the information related to the work of the resigning member have been handed over the chairperson of the board.

Article (49) Meetings of the Board of Directors

1. The meetings of the board of directors shall be legal in the event they are attended by two thirds of the members. The decisions of the board shall be taken by the majority of the attendants. In the event of equal votes, the vote of the chairperson of the board shall be favoured.
2. The meeting of the board of directors shall not be legal unless the chairperson or deputy chairperson attends it.

Article (50)

The board of directors shall convent at least once a month. The chairperson of the Commission shall prepare the meeting agenda of the board, take notes and prepare the protocol of the session within three days following the meeting to be signed by the members.

Article (51)

An urgent meeting may be invited for when signed by three members with adherence to the provisions of the Law.

Article (52)

Members must attend all of the meetings. In case of absence, the member must inform the chairperson of the Commission of the reason behind his or her absence in advance. Any member who is absent from three consecutive meetings without an admissible excuse shall be dismissed from the board. The President of the National Authority shall be requested to appoint a substitute for him or her in accordance with the provisions of the Law.

Article (53)

A copy of the all the decisions which are taken during the meetings of the board shall be kept together with the session protocol. The decisions of the boards shall also be included in the annual report of the Commission and be published in accordance with the Law.

Article (54)

The member abstaining from voting may request that such be confirmed in the session protocol.

Chapter II: The Chairperson of the Commission

Article (55)

A chairperson specialising in financial and economic matters and of high experience and competence and of good reputation and conduct shall assume the administration of the Commission, and shall be the supreme executive officer of the Commission.

Article (56)

The chairperson of the Commission shall be appointed by a decision by the President of the National Authority based upon a recommendation by the Council of Ministers and approval of the Legislative Council by the absolute majority of its members.

Article (57)

The chairperson of the Commission shall perform the following tasks:

1. To supervise on a daily basis the management of the Commission and its staff members. Part of such responsibility shall be the issuance of written and public instructions and procedures related to the Commission and its departments, branches and sections and follow up with their activities. Such instructions shall be kept in the general register and be exhibited for review by pensioners.
2. To establish a system of registers to include the most recent information related to the contributions of the individuals subscribing in the retirement systems to which they are affiliated in accordance with the provisions of the Law. The subscribing member or a proxy in accordance with a power of attorney shall be allowed to view his or her relevant register.
3. To establish systems for the collation and publication of information and notification of the subscribers and other relevant parties.

4. To develop a system for the registration of members upon the approval of the board of directors.
5. To identify the amount and eligibility of retirement benefits for applicants in accordance with the Law and relevant bylaw.
6. To establish a medical council for the examination of the case of the physical disability and other cases referred to it upon the approval of the board of directors.
7. To manage the process of challenge in the Commission.
8. To submit a recommendation to the board of directors in respect of the request of a municipality or another governmental institution to join the new retirement system in accordance with the provisions of the Law, and submit proposals to the board of directors in regard of the acceptance of municipalities to join the retirement system and ensure their being fulfilling the conditions provided for in the Law.
9. To prepare the annual draft budget and other financial data for the Commission and present them to the board of directors for approval, submit a quarterly report on the developments of the implementation of the budget and impediments to its being implemented or in the implementation of a part thereof and submit a recommendation in the middle of each year when it is necessary to review the volume and distribution of the budget and introduce required modifications.
10. To provide regulatory and administrative material support to the work of the specialising committees and all committees established by the Commission in order to serve its work in accordance with the approved budget.
11. To provide an actuarial assessment each three years and present the conclusions of the study to the board of directors.
12. To prepare the agenda and protocols of the board of directors.
13. To follow up with the implementation of the decisions of the board of directors.

14. To implement the investment policy of the board of directors and give direct instructions to both the keeper and the investments manager and/or managers in order to implement such policy in accordance with the provisions of the Law.
15. To follow up with the work of the keeper and investments manager and/or managers.
16. To conduct the appointments which are necessary for the administration of the Commission in pursuance of the policy of the board of directors and its decisions.
17. To perform any other tasks assigned to him or her by the board of directors.

Article (58)

The chairperson of the Commission may delegate some of his or her powers to whom he or she deems to be appropriate from among the staff members of the Commission, provided that the delegation is to be in writing. Such delegation shall not exempt the chairperson of the Commission from responsibility.

Article (59)

The chairperson of the Commission shall bear the civil and criminal responsibility which result from:

1. Losses resulting from the non-performance of duties in pursuance of the provisions of the Law.
2. Losses resulting from negligence.
3. Losses resulting from an intentional and deliberate act.

Article (60)

The chairperson of the Commission shall submit the following to the board of directors within a period the maximum deadline is the month of March during the year following the lapsing fiscal year:

1. The conclusive accounts of the Commission and the funds working therein which are prepared in accordance with the approved rules.

2. In commercial enterprises to be attached with a detailed statement of the items of assets and liabilities.
3. The account of revenues and expenditures.
4. An overall report on the acts of the Commission, keeper and investments managers and the financial status of the Commission.

Article (61)

The chairperson of Commission shall issue at the end of each fiscal year a detailed report to each subscriber, in which he or she shall state the volume of his or her optional accumulated entitlements in his or her possession and its achieved annual profits.

Article (62)

The chairperson of the Commission shall inform subscribers at the beginning of each fiscal year of the necessity to review the aspects of investment in which they prefer to invest their moneys and inform the Commission in the event of the desire to change priorities.

Chapter III: Conflict of Interests

Article (63)

The member of the board of directors must reveal upon his being appointed to the chairperson of the board all of his or her commercial and financial interests which may constitute a conflict in his or her personal interest with his or her legal responsibilities in his or her capacity as a member of the board.

Article (64)

In the event a conflict of interests takes place or a suspicion that a conflict of interests has commenced to emerge, all members of the board of directors and its staff members and contributors or beneficiaries must reveal such conflict in writing to the chairperson of the Commission. The chairperson of the Commission must inform the board in the first following meeting of such conflict. When necessary, an urgent meeting for such purpose may be invited for.

Chapter IV :Specialised Committees

Article (65)

1. The board of directors shall establish an auditing committee and an investments committee.
2. The auditing committee shall supervise and control all of the operations of internal auditing and receive an annual report from the internal auditor on activities and results.
3. The investment committee shall draw up a manual of investments to be approved by the board of directors and receive regular reports on the investment activities and results.
4. The chairperson of the board of directors shall appoint at least three members from the board of directors in both the auditing committee and the investments committee, provided that at least a member from among them is one of the specialising board members.
5. Each committee shall choose a chairperson thereof from among the members.
6. The committees may seek assistance from experts from outside the Commission following the approval of the board of directors.

Article (66)

The board of directors may establish and constitute other committees as it deems to be appropriate and assign them with the functions and duties which it deems appropriate. In all cases, the aspects of work and functions of such committees may not conflict with the tasks of the committees of investments and auditing.

Article (67)

The board of directors must issue instructions for the work of such committees and it may invite members therefrom to attend meetings of the board.

Article (68) The Auditing Committee

The auditing committee shall supervise the financial reports, external auditing,

information system and internal control and must perform all the duties assigned thereto by the board of directors including, though not restricted to:

1. Review the annual financial reports and the operational budget of the Commission and submit a report thereon to the board of directors.
2. Assist the administration of the Commission to implement and confirm the proper procedures of auditing and internal control and review, evaluate and approve the procedures of control in the internal and external auditing of the Commission, keeper and investments manager and/or managers and the actuarial assessment and internal procedures related to the accounts and keeping of registers.
3. Review all of the investments and transferences which affect the investment returns of the Commission.
4. Develop a quarterly report to be submitted to the board in accordance with the provisions of the Law, the regulations which the Council of Ministers shall issue and the instructions which the board of directors shall decide.

Article (69)

The internal and/or external auditor of the Commission, any member of the board or any of the members of the auditing committee, may request the chairperson of the Commission to invite for its meetings. The head of the auditing committee may request the board secretary to raise on the board meeting agenda any topics that are related to the work of the committee.

Article (70)

The external auditor of the Commission must attend the meetings of the auditing committee in case any member of the auditing committee so requests him or her. He or she must also attend the meetings of the board of directors in case the chairperson of board thus requests him or her.

Article (71) The Investments Committee

The investments committee shall submit to the board of directors its recommendations

respecting the Commission's investment policy through providing it [the board] with all of the information, criteria and procedures. The committee shall review the investments risks and inform the board of the activities and acts of both the keeper and the investments manager and/or managers.

Article (72)

The investments committee must involve at least one professional person from the following specialisations: Financial management, accounting and economics.

Article (73)

The investments committee must fulfill all of the obligations assigned to it by the board of directors including, though not restricted to:

1. Offering of professional advice for the board of directors in respect of the development of the general framework of the investment policy of the Commission.
2. Offering of professional advice in respect of the selection of the keeper and investments manager and/or managers.
3. Submission of quarterly reports to the board of directors in respect of the portfolio of investments, any changes made to it, assessment of the assets and investment returns, performance related to the achievement of the minimum required limit, the goals of investments, the various errors of accounts on a monthly and annual bases, and providing of professional financial and marketing reports to the board of directors in order to inform it of the status of regular subscribers as per the system.

Article (74)

The chairperson of the board of directors or any members of the investments committee may request the holding of a meeting of the investments committee. The head of committee shall be entitled to request the secretary of the board to raise any topics related to the investment committee on the agenda of the management board.

Article (75)

The external auditor of the Commission and the keeper and investments manager and/

or managers must attend the meetings of the investments committee in the event they are invited by its head. They must also attend the meetings of the board of directors in the event they are invited by its chairperson.

Chapter V: The Management of Investments

Article (76)

The board of directors must develop a manual of the investments and assets of the Commission in accordance with the advices and recommendations of experts when necessary and ensure the following:

1. The investments managers who are responsible for the investment of the properties and assets of the Commission shall perform their work in accordance with the provisions of the Law, the board's investment policy and the criteria and procedures which it defines.
2. Any restriction shall not exist as regards the investments in the commercial domains that are delegated to the investments manager, in addition to the necessity that investments conform to the principle of the evaluation of returns.
3. Within potential risks stated under the investment objectives, and it shall be possible to distribute, synthesize or combine investments in the financial, social and political domains as follows:
 - a. An investment portfolio of the obligatory bonds and papers of the government.
 - b. Requirements for investment in commercial terms in specific domains.
 - c. Requirements for investment in social terms in specific fields and sectors, including: sports, culture, education, research, housing, companies, public infrastructure, etc.
4. The board of directors must set forth criteria and procedures that conform to the obligations of the investment of funds in sustainable fields and on commercial bases.
5. The manual of investments shall not create a conflict of interests or earn gains

from a vocational union that is announced between the keeper and investments manager and/or managers.

Article (77)

The board of directors shall be requested to approve the criteria and procedures of investments that are conforming to the duties and functions of the board for the investing of assets in profitable and formidable commercial investments, provided that such procedures and criteria encompass the following:

1. The types of investments in which assets are allowable to be invested and the criteria of the selecting and defining of investments within such types, including the limited capacity of the sector or the type of investment.
2. Definition and development of minimum limits or criteria through which the performance of investments and their types, and the individual investments thereof in general, may be assessed.
3. Criteria and indicators of the control over the efficiency of the investments of the fund.
4. Avoiding of unethical investments, including the setting forth of policies, criteria and procedures for the avoiding of the implementation of investments that cause damage to the reputation of Palestine.
5. Investment restrictions or limits in order to reach a reasonable balance between risks and returns in the cash portfolio in general.
6. The structuring of the management of assets.
7. The use of alternatives among other financial tools.
8. The administration of loans, liquidation, operations, currency, market and other financial risks.
9. The exercise or the delegation of voting through investments.
10. Methods and rules for the assessment of investments by which commerce is not conducted in a public and regular manner, provided that it shall have been

conducted in accordance with the manual of investments and relevant correct rules and bases.

Article (78)

Criteria and procedures must be reviewed at least once every year so as to compile a report thereon in the annual report of the board.

Chapter VI: The Reports

Article (79)

The following reports shall be compiled:

1. An annual report by the board to the Prime Minister to be revealed for subscribers and for publication.
2. The annual report by the external auditor to the auditing committee to be revealed for the board, chairperson of the Commission and subscribers.
3. A quarterly report by the auditing committee to the board to be revealed for the investments committee and chairperson of the Commission.
4. A quarterly report by the investments committee to be revealed for the auditing committee and chairperson of the Commission.
5. A quarterly report by the investment managers to the investments committee to be revealed for the board and chairperson of Commission.
6. A quarterly report by the keeper to the investments committee to be revealed for the board and chairperson of Commission.

Article (80)

The annual report of the board must include the following:

1. Financial data and accounts of the lapsing fiscal year.
2. Basic results respecting the performance of investments.
3. The extent to which the former and current performance of the investments manager is identical to the minimum limit instructions.

4. A statement of the investment policy of the upcoming year.
 5. What the report of the external auditor as regards the financial status of the previous year includes.
 6. What the quarterly reports of both the auditing committee and the investments committee include.
 7. A statement of the investment policies, criteria and procedures.
 8. An analysis and matching of both assets and deliverables.
 9. Information on the arrangements of the investments managers and keeper regarding investments, including fees, expenditures and revenues.
 10. A certificate signed by the chairperson of the board and chairperson of the Commission affirming that all of the investments, which have been conducted within the last year, conform to the investment policy, criteria and procedures as per the Law, regulations, decisions and instructions.
 11. Information on the volume of compensations and benefits which have been paid for all of the board members.
3. Keeping of a register of the investments which were implemented within the last years, including:
 - a. The book value of each investment.
 - b. The market value of each investment, or the equivalent value thereof in the event it is offered for sale.
 - c. Information permitting to ensure the implementation of the requirements of the provisions of the Law and the investment policies and relevant criteria and procedures.

Article (82)

The Commission shall preserve the accounting registers and books and required systems and procedures, and shall ensure that:

1. The retirement assets are being protected or under control.
2. The transferences of the Commission and keeper have been conducted in accordance with the provisions of the Law, regulations, decisions and instructions.
3. The management of the human, financial and natural resources of the Commission is being conducted in an economic, efficient and correct manner.

Article (84)

The Commission must set forth and make available annual financial data to include the following:

1. A final budget at the end of each fiscal year.
2. The revenues and expenditures of the lapsing fiscal year.
3. The net changes which took place in the value of assets.
4. The investments.

Article (85)

The annual financial data must reveal all of the information necessary for the presentation of the financial position in a correct manner in pursuance of the International Accounting Standards at the end of each fiscal year.

Chapter VII :Management of Financial Affairs

Article (81)

The fiscal year of the Commission shall commence on the first of the month of January and expire on the thirty first of the month of December of each Gregorian year.

Article (82)

The Commission must safeguard a higher implementation of the financial accounting standards in its acts through:

1. Keeping of the accounting registers and professional reports in accordance with the International Accounting Standards.
2. Establishing of administrative, financial and informational control systems.

Article (86)

The Commission must prepare and compile quarterly financial reports including the same information which the annual financial reports include, with the budget being excluded therefrom.

Chapter VIII: The Auditors

Article (87)

The Commission must appoint a fulltime internal auditor to be enjoying activity, trustworthiness, integrity, sincerity and ability to perform the financial operations of the Commission. He or she must prepare an annual report to be submitted to the board in accordance with the Law, regulations, decisions and instructions.

Article (88)

The board must appoint an external auditor on an annual basis through an open and fair bid in conformity to the conditions and instructions. The former external auditor shall sustain his or her position until a new auditor is appointed and handed over tasks.

Article (89)

The external auditor must perform and adhere to the following criteria:

1. To be a member in an auditing institute or association that is of good reputation and recognized.
2. To have at least five years of experience as a chief auditor for large financial institutions.
3. To be independent of the Commission.

Article (90)

The external auditor who does not fulfill the requirements and needs of the Commission during the fiscal year must submit his written resignation signed by him or her to the Commission without delay. Such resignation shall enter into force upon the receipt of the Commission thereof, or on the time specified in the dismissal letter forwarded from the Commission to him or her, any of which is farther.

Article (91)

The board members and administration of the Commission must provide the external auditor with all of information and clarifications and secure access to the registers, documents, accounting registers and the accounts of the Commissions which the auditor deems to be expedient to prepare any report requested from him or her in accordance with the Law.

Article (92)

The external auditor must prepare an annual report including detailed data and to make clear from the auditor's standpoint the following:

1. Whether the financial data are submitted in a fair manner in accordance with the International Accounting Standards.
2. Whether the transferences of the Commission have been conducted in accordance with the provisions of the Law and instructions.
3. Whether the register of investments reflects in a factual manner the real value of the assets of the Commission.
4. Whether there have been any issues that are incomplete or required – from the external auditor's viewpoint – to be raised before the board of directors and draw the board's attention thereto.

Article (93)

In the event the external auditor has a conviction or doubt concerning the existence of any error or negligence in the financial data upon which the internal auditor or former auditor agreed, the external auditor must without delay inform the board thereof. In such cases, the external auditor must issue forth amended financial data or conduct the necessary amendment in the report submitted to the council.

Article (94)

The external auditor shall not be obliged to submit any information to any external party with exception of what is allowed by the Law.

Chapter IX: The Keeper

Article (95)

The board of directors must appoint a (keeper) through an open and legal bid to assume the management of the funds and assets of the Commission. The Commission shall define for him or her the term of work on the basis of the performance criteria which the decisions and instructions include.

Article (96)

The criteria to select the keeper shall involve the following:

1. Availability of a risk management system, other information systems and technological systems for him or her.
2. At least fifteen years of experience and positive full record as an expert relied upon in the market.
3. The capacity of reinsurance.
4. Presenting and affirming that the reserve capital conforms to the volume of sums which he or she is delegated to keep.
5. High potential of communication and information.
6. Work bylaws or ethical commitment manuals conforming to regulatory requirements shall be present.
7. An official and formal statement and notification about all types and volumes of fees and commissions, among other expenses.

Article (97)

The keeper is to receive direct instructions from the chairperson of the Commission or its director general in regard of any activities concerning the funds and properties preserved by the keeper. The keeper shall manage the funds of the retirement systems, including the "Defined Benefit System" and "Defined Contribution System" in a wholly independent manner. Payments from and to the aforementioned accounts shall be dealt with in a completely separate manner.

Article (98)

The keeper and investments manager must constitute two units that are different and independent of each other.

Article (99)

The Commission shall obtain information during specific periods of time from the official party supervising the keeper about any proceeding that may affect the financial and administrative position of the keeper. Thereupon, it must take expedient measures, including the appointing of another keeper once again when necessary.

Article (100)

The keeper must perform the following duties:

1. Preserve the retirement assets and properties in his or her capacity as the trusted person thereof on behalf of the subscribers.
2. Keep the assets of the retirement systems completely separated from his or her personal properties and other properties.
3. Receive contributions of the government or other employers and employees in accordance with the Law.
4. Inform the Commission and investments manager of the receipt of the retirement pension contributions from the Ministry of Finance and other employers for the accounts of pensioners opened by him or her within four days from his or her receipt of the sums.
5. Ensure that the investments are being conducted in accordance with the instructions issued by the owners of individual accounts and the investment policy of the Commission.
6. Notify the Commission of the value of assets and retirement procedures at least on a monthly basis.
7. Inform the board of directors of the issues related to the assets entrusted to him or her on behalf of the subscribers during periods of time to be allotted by the board.
8. Offer other services related to the retirement assets and approve them by

both the Commission and the keeper, including the required minimum limit of revenues.

9. Pay the retirement benefits in accordance with the Commission's instructions on the times agreed upon.

Article (101)

The keeper must notify the Commission of the measures which shall be taken against him or her in regard of liquidation or bankruptcy so that it appoints a new keeper immediately.

Article (102)

Any decisions may not be enforced on the retirement assets which are insured and kept by the keeper in accordance with the Law in any cases filed against the keeper. Such assets may not be part of the process of bankruptcy or liquidation.

Article (103)

The keeper must exercise his or her activities in pursuance of the conditions stated and specified in the agreement signed with the Commission in an accurate and complete manner.

Article (104)

The keeper shall be held accountable before the Commission in regard of any other issues resulting from the keeper not performing his or her obligations in accordance with the provisions of the agreement signed with the Commission or those resulting from the performance of his or her tasks in pursuance of the Law, regulations, decisions and instructions.

Article (105)

The Commission shall have the right to benefit from the sum of the reinsurance of the keeper in the event of the violating of the agreement signed between them.

Chapter X: The Investments Manager

Article (106)

Through an open and legal bid, the board shall appoint a notable financial institution

as a manager of investments. The duration of contract shall be defined by the Commission in accordance with the rule of good performance criteria stated in the regulations and instructions.

Article (107)

The criteria to select the investments manager shall include the following:

1. To demonstrate proven and testified investment experience.
2. To have available of the system of risks, information systems and updated technology.
3. To have at least fifteen years of experience in the field of investment management and a proven record as a financial institution that is of an acknowledged reputation and renowned position in the market.
4. To provide the arrangements and services of reinsurance.
5. Capacities to submit reports and data on a regular basis in accordance with the Laws, regulations, decisions and instructions.
6. Financial force with constant indicators about the volume of assets and volume of the reserve capital or (at least 100 million dollars).
7. To have available written bylaws and ethical commitment manuals conforming to regulatory requirements.
8. To reveal all of the fees, commissions and other expenses.
9. To pledge to provide information necessary for professional research purposes.

Article (108)

In pursuance of the Law and/or regulations and/or decisions and/or instructions and/or agreement, the obligations of the investments manager shall include the following:

1. Provide a number of options of financial portfolios in a manner that conforms to the priorities and policy of the investments committee.

2. Invest in accordance with the policy of the investments committee and adopt the best relevant means and methods.
 3. Submit reports and informing about the investments portfolio and its value and returns and other statistical information which may be requested from the keeper or board of directors.
 4. Present and provide the capacity of reinsurance.
 5. Reveal completely all of the fees and commissions, among other expenditures.
5. In the event the service of the beneficiary terminates for any reason whatsoever prior to the completion of the payment of the loan, the balance remaining from the entitled remuneration or retirement pension, which is deserved in case of his or her decease or dismissal from service due to disability to work, shall be deducted. The remaining balance may not be deducted from the retirement pension which is entitled by the successors except within the limits of a quarter. In the event entitlements from which the balance is to be deducted are not available, the Commission shall afford to deduct from the revenue of the investment of his or her funds.
 6. The board of directors may reduce the value of the loans allowed to be paid as well as reduce the period of payment.

PART SIX: Payment of Loans at the Guarantee of the Sum of Remuneration or Retirement Pension

Article (109)

The Commission may lend beneficiaries of the provisions of this Law whose period of service is not less than three years during the period of service and within the limits of credits which the board of directors allocates for such purpose and with the interest which it defines. The payment of such loans shall be within the following limits:

1. A salary of three months for those whose period of service extends from three to five years to be paid over one year.
2. A salary of five months for those whose period of service is more than five years.
3. A salary of seven months for those whose period of service is more than ten years up to fifteen years to be paid within a maximum period of three years.
4. A salary of nine months for those whose period of service exceeds fifteen years to be paid within a maximum period of three years, provided that the age of beneficiary does not exceed 57 years. In the event it exceeds such limit, the loan granted to him or her and its interests may not exceed the sum that is to be entitled in case of decease on the date of the end of the payment period. The payment period may not exceed in any case the period of time remaining to reach the age of retirement. No other loan may be conducted except following the payment of the previous loan.

PART SEVEN: General and Transitional Provisions

Chapter I: Special Arrangements for Functionaries in the Palestine Liberation Organisation

Article (110)

Years of occupancy of the private sector employees and officers in the Palestinian security forces who served in the institutions belonging to the Palestine Liberation Organisation and its accredited factions, in addition to the years of imprisonment of prisoners released from the occupation prisons, shall be counted in accordance with the following data:

1. In case the employee is less than the age of (45), the years of occupancy or imprisonment shall be counted for the benefit of the New Retirement Law, provided that the National Authority transfer its due entitlements including the share of the employee and government for such years to the Commission and shall be registered in the account of the employee at the Commission.
2. In case the employee is (45) years old or more while he or she is a member in the former retirement system in accordance with Law No. (34) of 1959, the previous

years of occupancy or imprisonment shall be counted for the benefit of the Law. The National Authority shall transfer its due entitlements including the share of the employee and government as one payment for the benefit of such system.

3. In case the employee is (45) years or more, while he or she is a member in the former retirement system in accordance with Law No. (8) of 1964, the years of occupancy or imprisonment shall be counted for the benefit of such system. The National Authority shall transfer its due entitlements including the share of the employee and government as one payment for the benefit of such system. This shall involve civilians and officers in the Palestinian security forces.
4. In case the employee is (45) years or more, while he or she is a member in the former retirement system in accordance with the Law of Insurance and Salaries of the Palestinian Security Forces of 2004, the years of occupancy or imprisonment shall be counted for the benefit of such system. The National Authority shall transfer its due entitlements including the share of the employee and government as one payment for the benefit of such system. This shall involve civilians and officers in the Palestinian security forces.
5. The Palestinian National Fund and/or the Commission of Organisation and Administration and/or the Military Financial Administration, based upon its official registers, shall adopt the number of occupant years of service in the Palestine Liberation Organisation and its accredited factions. The government shall pay the full amount of the cash compensation for all the years of such adopted service. Other official sources may be used in order to access the number of the years of occupant work as per a regulation to be issued by the Council of Ministers.
6. In the event an employee receives a retirement pension from another source or in the event of the insufficiency of the information stated in the registers as regards the duration of service or compensation paid thereof, the contributions of the government for the years of such service in the Organisation and its accredited factions

shall be modified so as to conform to the developed procedures and provisions in accordance with the regulations issued by the Council of Ministers.

Article (111)

Pensioners who have worked in an occupant manner in the Palestine Liberation Organisation and its accredited factions shall have the right to choose the method of the settlement of their retirement pension entitlements in accordance with any of the following alternatives:

1. Receive a retirement pension in accordance with the retirement system to which they were affiliated upon their being retired on pension.
2. Receive a financial remuneration in accordance with the system in force in the Palestinian National Fund to be paid once upon the pensioning off the employee. In this case, neither the employee nor the beneficiaries may claim retirement pensions.
3. The financial loan or loans which they received on the account of remunerations and which have been paid by the National Fund or from the Ministry of Finance shall be deducted from such entitlements and from the retirement pensions in accordance with a bylaw to be issued in this regard.

Chapter II: Transitional Arrangements

Article (112)

As not to contradict relevant Laws (1959, 1964, and 2004), retirement pension entitlements of the civil employees and officers in the Palestinian security forces shall not be violated by current retirement systems following the enforcement of the provisions of this Law.

Article (113)

1. The employee for whom years of service that are less than the years required to be entitled for a retirement pension in accordance with the former Laws of Retirement mentioned above and the current Law are counted shall have the

right to purchase years of service for the purposes of retirement in accordance with a bylaw to be issued by the Council of Ministers.

2. The number of years allowable to be purchased in accordance with the provisions of Paragraph (1) above must not exceed half the number of years registered for the benefit of the employee in the retirement system in accordance with the provisions the aforementioned former Laws and the current Law or ten years, any of which is less, and provided that the total number of years counted for retirement does not exceed (40) years.

Article (114)

The service of the employees of the public sector who are more than (60) years old shall terminate within (120) days from the date the enforcement of this Law, provided that their retirement pension entitlements are to be settled.

Article (115)

Relevant authorities shall transfer the entitled benefits of the employees under the age of (45) years in accordance with the former Laws within a maximum period of two years from the date of the enforcement of the Law to their accounts as per the current retirement system. The conditions and data of transference shall be as follows:

1. The amount of the financial entitlements transferred to the employee from the former system shall be registered to his or her account.
2. The years of contribution shall be registered on the date of implementation at a ratio of (1:1) in the retirement system for the benefit of the subscriber and at an average of (2%) of the monthly salary on the day of transference for each adopted year.
3. The Commission must approve any transference.

Chapter III: General Provisions

Article (116)

The provisions of this Law shall not be applicable to the President of the National Authority, the Chairman and Members of the Council of Ministers and the Chairman and Members of the Legislative Council.

Article (117)

The Council of Ministers may pension off any employee for considerations of the public interest to early retirement in case he or she completes fifteen years of service that are admissible for retirement without deduction of his or her obligatory entitlements. Nothing within this Article shall prohibit the employee from obtaining any compensations as per the agreement with employer and within the provisions of the Law.

Article (118)

The provisions of this Law shall be enforced to all cases of retirement as of the date of its enforcement.

Article (119)

The employees for whom years of service that are less the years required for the entitlement of the infirmity retirement are counted shall receive their entitlements in accordance with the actual years of contribution.

Article (120)

The employees of the public sector whose services have terminated or are being terminated due to their reaching of the age of (60 years) but have not completed a functionary service that is counted for the purposes of retirement (15 years), the treasure of the Palestinian National Authority shall afford a basic retirement pension for them in accordance with a bylaw to be issued by the Council of Ministers in case they do not have any other income. In case such income or support is available, only the difference between the amount of the basis retirement pension and the monthly salary shall be paid.

Article (121)

With the exception of the employees of the public sector, the treasure of the Palestinian

National Authority shall afford a basic retirement pension in the amount of (100) dollars on a monthly basis for each person who has reached the age of sixty years and does not have any other income or source of support. In the event such income in an amount that is less than one hundred dollars is available, only the difference shall be paid.

Article (122)

As not to contradict the provisions of any other law in accordance with which he or she has obtained a judgment or has taken a decision against the person benefiting from the provisions of this Law, the implementing of, laying attachment on or the commencing of any proceedings against or on the account of the retirement contributions of the subscriber, the due entitlements thereof or relevant accounts that are available or managed by the Commission may not be allowed. Such contributions, benefits and balances of account shall not constitute part of the properties and assets of the subscriber in case of bankruptcy or other similar procedures, with the exception of those related to the entitlements of the divorced women and care taking of children.

Article (123)

Prior to the collection of any contributions for the retirement systems established within this Law, the Commission must have provided the following:

1. An effective registration system for the registration of all of the contributions of the individuals and government in the Defined Contribution System.
2. Presenting of the opportunities of the investment of contributions in a detailed manner to the subscribers in order to choose the form of investment of their funds of Defined Contributions System, in addition to providing of the procedures necessary to allow opportunity for subscribers to choose and modify the choice when necessary.
3. The keeper of the investment assets and investments manager shall commence to invest the funds in addition to the provision of all necessary procedures in order to transfer the funds and

information to the keeper and investments manager.

Article (124)

The Council of Ministers shall issue the bylaws and decisions necessary for the enforcement of the provisions of this Law.

Article (125)

Each provision which contradicts the provisions of this Law shall be repealed.

Article (126)

All competent authorities, each one within its sphere of jurisdiction, shall implement the provisions of this Law which shall enter into force as of the date of its publication in the Official Gazette.

Promulgated in the city of Ramallah on April 26th, 2005 A.D.

Corresponding to Rabi' Al-Awwal 17th, 1426 of the Hijra.

Mahmoud Abbas

Chairman of the Executive Committee of the Palestine Liberation Organisation;

President of the Palestinian National Authority

Insurance Law No. 20 of 2005

The Chairman of the Palestine Liberation Organisation,

The President of the Palestinian National Authority,

Having reviewed the Amended Basic Law of 2003 and its amendments;

Having reviewed the Law No. 13 of 2004 of the Capital Market Authority;

Having reviewed the Draft Law submitted by the Council of Ministers; and

Based upon what the Legislative Council approved in the session held on October 5th, 2005; and

In the name of the Arab Palestinian People,

We hereby promulgate the following Law:

Chapter I: Definitions

Article (1)

The following words and expressions mentioned in this Law shall have the meanings ascribed thereto hereunder unless the context requires otherwise:

The Minister:	The Minister of Finance.
The Authority:	The Capital Market Authority.
The Board:	The Board of Directors of the Authority.
Insurance Management:	The insurance management at the Authority.
Director:	The Director General of the Insurance Directorate.

Insurance Business: The activity pertaining to the all types of insurance provided for in this Law, including the reinsurance and the functions of the insurance agents, brokers, and specialists in life insurance (the actuaries) as well as any other activity related to the contract and business of insurance.

Insurance Contract: Any agreement or pledge under which the insurer commits to paying to the insured or to the beneficiary, to whose interest the insurance has been stipulated, an amount of money, revenue, salary or any other financial compensation in the event of the occurrence of the accident or the realisation of the risk specified in the contract, in return for a premium or any other financial payment which the insured pays to the insurer.

Any agreement or pledge between the original insurance company (the assigner company) and another company or companies (the re-insurers) under which the assigner company transfers to the re-insurers all or some

Reinsurance Contract:	of the risks which it has underwritten towards a third entity under an insurance contract that it has originally taken responsibility for, in return for a specific amount, called the premium of the reinsurance, which the assigner company pays to the re-insurers. Under such contract, the re-insurers shall compensate the assigner company for the damages which may be caused to it and against which it has originally insured the third entity.	Branch:	The branch which is affiliated with the company and which practices the insurance business on behalf and in the name of the company and in pursuance of the licence conditions.
The Insurer:	The insurance company or the branch of the foreign insurance company which has received a licence to exercise the insurance business in accordance with the provisions of this Law.	Agent:	The person who is authorised to exercise the functions of the insurance agent on behalf of the company or one of its branches under a written authorisation from the company, including the acts of the agency of reinsurance.
The Insured:	The person who has concluded the insurance contract with the insurer, or the beneficiary who has in the first place acquired the rights of the insurance contract, or to whom they were transferred in a legal manner.	Broker:	The person who is authorised to exercise the functions of insurance brokerage between the insurer and the insured under a written authorisation from the insured including the acts of the reinsurance brokerage.
Licence:	The licence to exercise the insurance business, which is issued in line with the provisions of this Law.	Appointed Insurance Specialist (the Actuary):	The person, who holds the certificate of an insurance specialist from one of the institutions recognised by the Authority and has received therefrom a licence to evaluate the insurance contracts and their related documents and accounts, is known as the "actuary" who is appointed to perform such task at the company.
Local Insurance Company:	Each company which is incorporated in Palestine and registered by the company registrar for the purpose of practising the insurance business.	Reserve of Valid Risks:	The amount which the insurer designates at the end of the financial year to cover the liabilities which may arise following the expiration of such year from insurance contracts that were issued prior to such date, but which are still valid.
Foreign Insurance Company:	Each company which is incorporated outside of Palestine and registered by the company registrar for the purpose of practising the insurance business.		

Reserve of Claims under Settlement:	The amount which is designated at the end of the financial year to cover the liabilities that have arisen from claims, which were notified prior to the end of such year and which are still under settlement.	Insurance Fund:	The total of assets which the company maintains for the security of the life insurance business, with the exception of the entitlements of shareholders.
Solvency Margin:	The value of the assets of the company which exceed its liabilities, thereby enabling it to satisfy its liabilities in full and pay the amounts of compensations immediately upon their maturity without such leading to the insolvency of the company or its bankruptcy. The calculation of the solvency margin shall be conducted in accordance with the policies of the Board of Directors of the Authority and the instructions of the Insurance Director General pursuant to internationally recognised norms.	Auditor:	The auditor of accounts who is legally licenced to work in Palestine and who is accredited by the insurance management.
Certificate of Solvency:	The certificate issued forth by the insurance management to the company and which states that it has complied with the requirements of the solvency margin provided for in this Law as well as the regulations and instructions issued in accordance with it.	Motor Vehicle:	All types of vehicles which move along roads by mechanical power and the vehicle which is pulled or supported by a vehicle licenced for this purpose, with the exception of wheelchairs.
Minimum Amount of Security:	The amount which is equal to – at least – one third of the required solvency margin. The insurance management shall define the minimum limit of such amount by instructions to be issued forth therefrom.	Vehicle Licence:	The official licence issued forth by the Licensing Authority and which allows the circulation of the vehicle on roads for a defined period of time.
		Driving Licence:	The official licence issued forth by the Licensing Authorities and which allows its holder to drive a particular type or types of vehicles.
		Heavy Vehicles:	Each vehicle whose gross weight exceeds four thousand kilogrammes, excluding each commercial vehicle that is licenced to transport seven passengers or more.
		Light Vehicles:	Each private or public or commercial vehicle whose gross weight does not exceed four thousand kilogrammes.

Use of the Vehicle: Travel by the vehicle, including driving, boarding, alighting, pushing, pulling, handling, or repairing it along the road, by its driver or any other person outside the scope of his work. It shall also include the turning over or falling of the vehicle or the separation of any part thereof or from its cargo during the travel. The following shall be excepted from the use:

1. The loading, unloading or selling of goods or materials from the vehicle while it is being parked.
2. The vehicle which has been converted into engineering equipment on the work site or which is offered for sale.

Road Accident: Every accident which has resulted in the injury of a person with a physical damage due to the use of a motor vehicle, including the accidents resulting from the explosion or burning of the vehicle or a part of it or from another material of those materials necessary for its use. Also deemed a road accident is each accident that took place due to the damage of a vehicle that is parked in a prohibited place. Not to be deemed an accident is each accident that occurred due to the use of the mechanical power of the vehicle for other than the purpose designated for the circulation of the vehicle, as well as each accident that occurred due to an action that has been made intentionally.

The Injured: Each person who has suffered a physical damage due to a road accident. This includes the heirs of the deceased person.

Dependents: The spouse of the person as well as his or her parents and children under eighteen years of age, unless he or she was pursuing his or her university education, or handicapped, provided that it be proved.

The Fund: The Palestinian Road Accidents Victims Compensation Fund.

Chapter II: Enforcement Scope of the Law

Article (2)

The provisions of this Law shall be applicable to the business of insurance. All companies, agents, brokers, insurance specialists and licenced actuaries, including the persons who are related to the insurance business and relevant matters, shall be subject to the provisions of this Law.

Article (3)

1. The insurance business shall include the following branches:
 - a. Life insurance.
 - b. Health insurance.
 - c. Funds insurance (savings).
 - d. Fire insurance and risks associated therewith.
 - e. Transportation insurance and liabilities related thereto.
 - f. Accident insurance and insurance of civil liabilities.
 - g. Insurance of the hulls [of ships] and their machines as well as liabilities associated therewith.

- h. Insurance of the bodies of aircraft and their machines as well as liabilities associated therewith.
 - i. Motor vehicle insurance and liabilities associated therewith.
 - j. Insurance against career risks.
2. The Council of Ministers shall issue forth the regulations necessary for the tackling of the other branches of the insurance business, such as the business of insurance pertaining to theft insurance against theft, personal accidents, abuse of the credit and engineering insurances, and any other types of insurance which are not provided for under this Article and which the Council of Ministers deems, in coordination with the Authority, necessary to address in a regulation.

Chapter III: Duties, Competences, and Powers of the Authority

Article (4)

The Capital Market Authority shall regulate the businesses of insurance provided for in this Law in order to:

1. Supervise and oversee the enforcement of the provisions of this Law and any laws, regulations and instructions pertaining to the insurance business, and take the measures and decisions and instructions necessary thereto.
2. In cooperation and consultation with the competent parties, put forward detailed policies for the enhancement and development of the insurance sector, set forth the regulations necessary for their implementation, and take the measures and decisions necessary thereto within the limits of its competences which are defined in this Law.
3. In cooperation and coordination with the relevant parties, perform all that is necessary to ensure the appropriate environment for the growth and progress of the insurance sector in a manner effecting benefit upon the economic activity in Palestine.
4. Protect the rights of the insurers and beneficiaries from the insurance services,

and promote such services and achieve integral contest between the insurers in a manner that safeguards their rights and interests through the enforcement of the laws, regulations, instructions, and the general policy for the development of the insurance sector.

Article (5)

In implementation of the provisions of the Law of the Capital Market Authority and based upon the decision of the Board, the Authority shall perform the following:

1. Set forth a regulation that includes the conditions and fees of licencing the insurance companies to exercise the insurance business as well as the documents, information and data which must be submitted in order to receive the license, subject to the provisions stated under Chapter VII of this Law.
2. Set forth a regulation for the imposition of fees in return for the services which the Authority renders to the companies, agents, and brokers.
3. Put forward bases for the calculation of the insurance obligations and the corresponding technical reserves, and define the method of the assessment of the assets of the company as well as the nature and distribution of the assets corresponding to the insurance obligations.
4. Put forward instructions for the specification of the solvency margin, the minimum amount, and the methods and means of their calculation, and adopt forms, conditions, and procedures for the issuance of the certificates of solvency.
5. Develop instructions for the bases under which the companies shall be allowed for reinsurance.
6. Set forth studies, research papers, draft laws, regulations and procedures to regulate the insurance sector and ensure supervision and oversight, including without limitation, draft regulations in the following aspects:
 - a. The methods of calculation of the technical or accounting reserves which represent the obligations of the company.

- b. The methods of assessment of the assets of the company.
 - c. The nature of distribution of the assets of the company which represent its insurance obligations and specification their locations and respective obligations.
 - d. The methods of calculation of the obligations of the company.
 - e. Arrangement of the reinsurance, including the information which the company must present in this regard.
 - f. Determination of the fees of licences payable by the companies, insurance agents, and brokers.
 - g. Determination of the level of prices or tariff pertaining to any type of insurance in the event the Authority deems it fit and expedient.
7. Issue forth and prepare publications and annual statistics about the insurance sector as well as media programmes for raising the awareness of businessmen and beneficiaries from the services of insurance about the importance of such services and their positive effect on the development of commerce, industry, and national economy in general.
8. Issue forth an annual report about the activities and accomplishments of the Authority as well as the developments taking place in the insurance sector. The report shall include the future plans of the Authority in regard of the insurance sector.
9. Prepare draft decisions and instructions in the following aspects and present them to the Board for approval and issuance:
- a. The procedures, conditions, and forms required for the issuance of the certificate of solvency.
 - b. Prevention or limitation of the investment of funds gained from any category of insurance.
 - c. The percentage of the surplus which is disbursed to the insured in the cases thus requiring.
 - d. The value of the securities required by the insurance agents and brokers.
 - e. The methods of bookkeeping, accounts, registers and documents of the company and insurance agents and brokers as well as the details required to be included in such documents.
 - f. The required data and documents to be submitted to the Board about any of the activities of the company, and the stipulation that such documents be certified by professional persons and by members of the Board of Directors or by any employee who is appointed by the instructions set forth by the Board.
 - g. Dissemination of the data and information received in reports and registers in the manner which the Board approves, and distribution of such data and information to the competent governmental authorities and to those concerned with the insurance business.
10. Define the bases of distribution of the surplus designated for the holders of insurance contracts in the cases that so require.
11. Set forth instructions for the statement of the bases which must be followed in the keeping and organisation of account books, registers and documents for the companies, agents and brokers as well as define the data and details which must be entered on such documents.
12. Disseminate the data and information stated in the books and registers of the company in the manner which the Board recommends and send them to the relevant official authorities and any other parties concerned with the insurance business.
13. Put forward instructions under which the companies shall the submission of the following information:
- a. The data and information stated in the books, registers and documents of the company and any other information related to the operations of the company, including data on the insurance contracts which it issues forth and their types, on the reinsurance and expenses of

the company, in addition to any information about the activities of any company of joint ownership with the insurance company or with which it is associated in any form whatsoever.

- b. Information about the management of the company and its director general and heads of departments therein as well as its technical staff and its auditors, in addition to information about any modifications proposed for such functions.

Article (6)

Based upon the decision of the Board, the Authority may exercise the following powers:

1. Prevent or restrict the investments of the company in particular fields.
2. Put forward the conditions on the granting of the licence to the insurance agents and brokers as well as actuaries and define the qualifications and expertise which they shall be required to meet, including life insurance specialists (the actuaries).
3. Issue forth orders to the companies, agents, and brokers in order to oblige them to comply with the provisions of the Law as well as the regulations and instructions, under penalty of the sanctions provided for in this Law.
4. Appoint a specialist on life insurance or on any other type of insurance, or a legal auditor to audit the business of any company, evaluate its positions, and submit a report thereon. The company shall bear the auditing fees as well as the fees of the insurance specialist which the Authority defines. The Authority shall be entitled to publish the report or a summary thereof in the fashion which it deems fit.
5. Not approve the appointment of the director general of the company, any of the senior functionaries therein, the accredited insurance agent or the auditor when if they do not satisfy the required competences or experiences.
6. Develop regulations or bylaws that oblige the insurance companies operating in Palestine to reinsure at the local

reinsurance companies, and define the applicable bases and rates of reinsurance.

7. Develop regulations or bylaws for the imposition of the obligatory insurance against particular risks, and define its general conditions and provisions and limits of responsibility therein.
8. Set forth a professional code of conduct to be complied with by all companies, agents and brokers in developing the terms and conditions of the insurance contract and when dealing with the insured.

Article (7)

The Authority shall establish a committee to supervise and monitor the insurance from within and outside of the Authority, provided that the Insurance Consortium be represented therein, and shall delegate it with its powers which it deems appropriate in this regard.

Article (8)

1. For the implementation of the objectives of the Authority, for the regulation and oversight over the insurance business, and for the preservation of the entitlements and interests of the insured, the Insurance Management shall assume, on the basis of the Law of the Capital Market Authority and this Law, the powers and responsibilities necessary for the implementation of the duties assigned thereto.
2. Registers shall be drawn up inside the General Management of the Insurance, and shall remain open to the public in order to view their contents. These shall include:
 - a. A general register including the titles, addresses, and financial and basic information of the companies operating in Palestine and of the agents, brokers, and specialists in life insurance who are licenced by the Authority.
 - b. An independent register for each company that includes the audited annual accounts as well as detailed information and data about the company, including the insurance premiums, compensations, claims,

assignments of contracts, investment, deposits and technical reserves which the company keeps in addition to any other information or facts necessary for the protection of the insured.

- c. An independent register for each insurance agent, broker, or specialist in life insurance, in which the information and facts related to them shall be recorded as it is defined in the instructions issued forth by the Insurance Management.

The Director General of the Management

Article (9)

The insurance management shall be presided over by a Director General who shall enjoy the following powers:

1. Assign the managerial body of the Authority to initiate investigation to obtain the information required and expedient for the oversight and supervision over the insurance business and for the control of enforcement of the Laws, bylaws, instructions, and orders.
2. The Insurance Director General, or the person whom he delegates, shall be entitled to verify at any time all the transactions, registers and documents of the company, agents, and brokers.
3. For the purposes of ensuring the adherence of the companies, agents, and brokers to the provisions of this Law, the Insurance Director General shall have the right to request that from companies as well as insurance agents and brokers or those wishing to obtain a licence to provide him with the following:
 - a. Accounts and books of the company and the books of the insurance agents and brokers in the manner provided for in the Law, and any information about the financial status of the company, agents, and brokers, as well as about any company having a relation of ownership with the insurance company or associated therewith. The Director may request the certification of such information or the attestation of its validity from a

entity which he defines.

- b. The general and special conditions and the rates of premiums related to particular types of insurance contracts. The Director General may request such information prior to the conclusion of any insurance contract.
 - c. Any other information pertaining to the subject matter of the investigation.
4. In the event information is available to the Director General of Insurance, or he has an adequate reason for scepticism that the company has not paid its obligations, that it is likely to fail to do so, or that it will not be able to preserve the solvency margin prescribed in the Law, the Insurance Director General, after referring the issue to the Board and receiving its instructions, may request that the company take within a limited period of time one or more of the following measures, as he deems fit. Such measures may be permanent or temporary.
 - a. Completely cease the performance of new insurance business, or halt the exercise of a specific type or category of insurance business.
 - b. Put forward a particular limit for the income of the company from insurance premiums.
 - c. Stop all types of investment.
 - d. Liquidate its investments in a specific category or a specific item within a particular period of time.
 - e. Keep assets in Palestine the value of which equals all or a particular amount of its obligations arising from its business in Palestine.
 - f. Take any other measures in accordance with the definite instructions of the Council.
 5. The measures detailed in Paragraph (4) under this Article shall be taken in the following cases:
 - a. In case the company fails to implement any article in this Law or the regulations and instructions issued forth in accordance with it.

- b. In case the Insurance Director General deems that the proceedings of the company which are necessary for the reinsurance against the risks which the company affords are insufficient or that the company does not take such proceedings.
 - c. In case the company commits a grave contravention in the presentation or the programme of work submitted to the Insurance Director General whilst it had obtained the licence based upon such programme.
6. To request that the auditor of the company provide him with the information which he deems to be necessary for the oversight and auditing of the company's business, provided that the auditor submits such information within the period of time which the Insurance Director General defines. In the event the company's main office is outside of Palestine, the information which must be submitted by the auditor to the Insurance Director General shall be restricted to the company's business in Palestine only.
7. To request that the company provide him, within a period of time not exceeding thirty days, with information about the commissions which the company pays to the insurance agents and brokers . If it appears on the basis of the information sent from the company or others that the commissions paid to the agents and brokers exceed the reasonable limit, the Insurance Director General may, after referring the issue to the Board and obtaining its approval, request in writing that the company reduce the commissions which it pays in regard of all or some types of the insurance, within a defined period of time not exceeding two months from the date of the request.
8. The Director General of the Insurance Administration, based upon the decision of the Board, shall set forth instructions to prevent the payment of in-kind commissions to the agents and brokers or the payment thereof in the form of loans before the company or the agent receives the premiums related thereto.
9. For the purposes of the investigation provided for in the Law, the Insurance

Director General may, himself or through a delegated representative, perform the following:

- a. Enter the offices of the company or any other offices which he suspects that they contain documents and registers related to the insurance contracts and certificates of shares or any other document related to the insurance business, provided that the entry is conducted during the working hours of company.
- b. Request that any employee at the company or at any entity having a relation of ownership with the insurance company or is associated therewith present the books, documents, and registers which he has and which include the requested information.

Article (10)

1. The auditor must submit a report within a maximum period of three days to the Insurance Director General in the following cases:
 - a. In the event the auditor deems that the financial status of the company may negatively impact its ability to satisfy its obligations towards the insured or its capacities to meet the financial requirements provided for in the Law or the instructions and orders issued forth in accordance therewith.
 - b. In the event the auditor observes a grave defect in the financial system, the oversight system or the accounting registers of the company.
 - c. In case he has kept any certificate that is related to the financial data of the company and its income which he is requested to submit in accordance with the Company Law or this Law.
 - d. In case the auditor decides to resign or not accept the appointment of him again in the company.
2. The auditor must provide the company with a copy of the report referred to in Paragraph (1) under this Article on the same date of its submission to the Insurance Director General.

Chapter IV

Article (11)

Each legitimate economic interest that benefits the person without the occurrence of a particular danger shall be subject to insurance.

Article (12)

The following conditions which are stated in the insurance policy shall be considered null and void:

1. The condition which stipulates the revocation of the right to insurance due to the contravention of the laws unless the contravention entails a deliberate offence.
2. The condition which stipulates the revocation of the right of the insured due to his delay in reporting the insured accident to the parties required to be notified thereof or in the submission of documents, in case it appears that the delay was due to an admissible excuse.
3. Each condition that is typed but does not appear in a visible manner and which was related to a case that leads to nullity or revocation.
4. The condition of arbitration if it is stated in the document under its typed general and not in the form of a special agreement that is separate from the general conditions.
5. Each other arbitrary condition the contravention of which does not affect the occurrence of the insured accident.

Article (13)

1. An agreement may be concluded as to exempt the insurer from the security in the event the beneficiary admits his liability or pays a security to the aggrieved entity without the consent of the insurer.
2. An agreement may not be concluded as to exempt the insurer from the security in the event the declaration of the beneficiary is restricted to a physical fact, or in the event he proves that the payment of the security was in the interest of the insurer.

Article (14)

The insurer, in the event it has paid compensation for the damage, may substitute the insured in the lawsuits of the insured before the person who has caused the damage from which the liability of the insurer resulted by the security which it has paid, unless the person who has caused the unintentional damage is not the ascendant, descendant or the spouse of the insured or a person for whose actions the insured is liable.

Chapter V: The Obligations of the Insured and Insurer

Obligations of the Insured

Article (15)

The Insured shall:

1. Pay the amounts agreed upon on the date defined in the contract.
2. Declare at the time of the conclusion of the contract all the information which the insurer requests to know in order to assess the risks which it assumes.
3. Notify the insurer of necessary matters which lead to the increase of such risks during the period of the contract.

Article (16)

1. In the event the insured conceals with an ill intention a matter or submits an incorrect statement in a manner that reduces the relevance of the against risk insured or leads to a change in its subject matter or in the event he breaches by means of fraud the obligation which he has pledged, the insurer shall be entitled to request the annulment of the contract. It may also demand the payment of the due premiums prior to such request.
2. In case fraud or ill intention is dispelled, the insurer must, upon the request to annul the contract, return to the insured the premiums which have been paid or return from them the amount which was not sustained in meeting a particular risk.

The Obligations of the Insurer

Article (17)

The insurer shall compensate the insured for the damage resulting from the occurrence of the insured risk in accordance with the provisions pertaining to each type of insurance.

Article (18)

The insurer must pay the due security or amount to the insured or beneficiary in the manner agreed on upon the realisation of the risk or upon the maturity of the date indicated in the contract.

Article (19)

The obligation of the insurer shall exert its effect in the civil liability insurance unless the aggrieved entity claims against the beneficiary following the occurrence of the accident that gave rise to such liability.

Article (20)

The insurer may not pay to any person other than the aggrieved one (all or some of) the amount of compensation agreed upon so long as the aggrieved entity has not been compensated for the damage caused to him.

Article (21)

1. The liabilities arising from the insurance contract shall be revoked by prescription following the expiration of five years from the occurrence of the accident from which those liabilities arose, without taking any measure to claim them.
2. Nevertheless, the period mentioned in the previous paragraph shall not be effective:
 - a. In case the insured conceals the data pertaining to the insured risk, or presents incorrect or inaccurate data, except from the day on which the insurer learns about it.
 - b. In case the insured accident occurs, except from the date on which the concerned parties know about its occurrence.

Chapter VI: Provisions Pertaining to Some Types of Insurance

Article (22)

Each agreement that contravenes the provisions mentioned under this Chapter shall be void, unless such is in the interest of the insured or in the interest of the beneficiary.

The Mutual Cooperative Insurance

Article (23)

1. Several persons may perform the business of the mutual cooperative insurance through their participation in cash shares in order to compensate the person from among them who is aggrieved, whether in the body, in the properties or in the civil liability. In case the capital is not sufficient for the compensation of the damage, the shareholders shall, each in the amount of his share, pay the amounts necessary for the remedy of the damage.
2. Each member in this system shall be deemed insured by means of cooperation.
3. An agreement may be reached on the investment of such funds and the outcome of investment shall be disbursed to the members in accordance with the agreement reached.

Fire Insurance

Article (24)

1. In the fire insurance, the insurer shall be responsible for all the damages arising directly from a fire or for the outset of a fire that can develop into a complete fire, or for the risk of a fire that could happen.
2. The obligation of the insurer shall cover the damages which are an inevitable result of the fire, and in particular the damage caused to the insured properties due to the use of rescue means or to prevent the spread of the fire.

Article (25)

1. The insurer shall be responsible for the damages of the fire which takes place

because of a non-deliberate error by the insured or beneficiary.

2. The insurer shall not be responsible for the damages which the insured or beneficiary causes intentionally or deceptively even though it agrees to otherwise.

Article (26)

The insurer shall be responsible for the damages of the fire which is caused by the dependents of the insured, whatsoever the type and extent of their error.

Article (27)

The insurer shall be responsible for the damages resulting from the fire even if such fire has arisen from a defect in the insured property.

Article (28)

1. The person who insures a property or interest at more than one insurer must notify each one of them of the other insurances, the value thereof and the names of other insurers.
2. The amount of insurance (in the case of multiple insurers) must not exceed the value of the insured property or interest.

Article (29)

In case a property or interest is insured at more than one insurer with amounts exceeding in their total the value of the insured property or the insured, each insurer shall be obliged to pay a portion that equals the rate between the value of the insured property or interest and the total amounts of insurance, provided that the total payment to the insured does exceed the value of the damage caused to him by the fire.

Article (30)

Fire insurance which is concluded on the movable property of the insured *en bloc* and which is present at the time of the fire in the places which he occupied shall have its impact extended to the properties owned by the members of his family and the persons who are annexed to his service and reside with him.

Article (31)

1. In case the insured property is under a mortgage or insurance or other in-kind securities, such entitlements shall transfer to the security due for the insured by virtue of the insurance contract.
2. In case such entitlements are registered or notified to the insurer, the insurer may not pay what it is bound to pay to the insured except upon the consent of such creditors.
3. In case the insured property is seized or such property is placed under custody, the insurer may not in case it is thus notified pay to the insured anything of what the insurer is bound to pay.

Life Insurance

Article (32)

In life insurance, the insurer shall pay to the insured or to the beneficiary, upon the occurrence of the insured accident or the maturity of the date provided for in the insurance contract, the amounts agreed upon in the contract without need to prove the damage caused to the insured or the beneficiary.

Article (33)

1. For the enforcement of the contract of insurance on the life of a third entity, the written agreement of the third entity shall be required prior to the conclusion of the contract. In the event he is not eligible, the contract may not be effective except on the agreement of his legal representative.
2. Such agreement shall be necessary for the validity of the transference of the right to benefit from the insurance or the validity of the mortgage of such right.

Article (34)

1. The insurer shall be discharged from his obligation to pay the amount of insurance in the event the person insuring his life commits suicide. Nonetheless, the insurer shall pay to whom the right devolves an amount that equals the value of the insurance reserve.

2. In the event the reason behind suicide is an illness that deprived the sick person of his will, the whole obligation of the insurer shall remain effective. The insurer must prove that the person insuring his life has died of suicide. The beneficiary must prove that the person insuring his life was at the time of committing his suicide deprived of will.

Article (35)

1. In the event the life insurance covers a person other than the insured, the insurer shall be discharged from its obligations once the insured has deliberately caused the death of such person, or the death has been caused based upon an agreement, instigation, or assistance from him.
2. In the event the life insurance is in the interest of a person other than the insured, such person shall not benefit from the insurance in case he deliberately caused the death of the person whose life is insured, or the death has been caused based upon an agreement, instigation, or assistance from him. In case what is caused by such person was a mere commission to cause death, the insured shall have the right to replace the beneficiary by another person, even if the beneficiary accepts the insurance that was stipulated for his benefit.

Article (36)

1. In the life insurance, an agreement may be made that the amount of insurance be paid, either to appointed person or persons or persons that the insured shall appoint at a later time.
2. The insurance shall be deemed concluded for the interest of specific beneficiaries in case the insured demonstrates in the policy that the insurance is concluded for the interest of his spouse, children, or descendants, those who were born and those who have not been born yet, or for his heirs without mentioning their names. In the event the insurance is in the interest of the heirs, those shall be entitled to the amount of the insurance, each one of them according to the rate of his share in the hereditament. Such right shall be established for them even if they abandoned the hereditament.

Article (37)

The insured who undertook to pay periodical premiums may break up the contract at any time by a written notice which he sends to the insurer stating his wish thereof. He shall be acquitted from subsequent premiums.

Article (38)

1. Neither the erroneous data nor the mistake in the age of the person who concluded the insurance on his life shall result in the nullity of the insurance, unless the real age of the insured exceeds the prescribed limit provided for in the bills of insurance.
2. In the event the erroneous data or the mistake results in lessening the agreed premium below the payable premium, the amount of insurance must be reduced in the amount equal to the percentage between the agreed premium and the payable premium on the basis of the real age.
3. In case the premium agreed to be paid is higher than that which must be paid on the basis of the real age to the person who is insuring his life, the insurer must return the increase which he received and reduce the following premiums to the limit which is consistent with the real age of the insured.

Article (39)

In the life insurance, the insurer who has paid the amount of the insurance shall have the right to substitute the insured or the beneficiary in his rights before the person who caused the insured accident or before the person responsible for such accident.

Article (40)

The amounts agreed to be paid upon the death of the insured shall not enter in his estate and his creditors shall not have a right therein. However, they may recover the premiums which he paid in case this does not conform to the financial status of the insured.

Article (41)

1. In the lifelong contracts which are concluded without stipulating as a

condition that the insured shall stay alive for a particular period of life, and in all the contracts in which it is stipulated that the amount of compensation shall be paid following a specific number of years, the insured, once he has paid at least three annual premiums, may replace the original policy with a policy that is paid in return for a reduction in the amount of the compensation unless an agreement provides otherwise.

2. The life insurance shall not be subject to reduction in the event it was temporary.

Liability Insurance

Article (42)

The insurer shall bear the losses and damages caused by the persons towards whom the insured bears a civil responsibility whatever the nature and risk of the errors of those persons. He shall also bear the losses and damages resulting from the properties and animals which are in the custody of the insured.

Article (43)

The insurer shall not be required to pay compensation in the event the insured causes damage to a third entity, unless the aggrieved third entity addresses to him a conciliation claim or lodges a suit at law against him.

Article (44)

The insurer shall bear the litigation expenses that result from each suit at law that is filed on the basis of liability against the insured.

Article (44)

The aggrieved shall have the right to claim against the insurer directly within the limits of the damage caused to him as well as the value of the insurance prescribed in the contract.

Chapter VII: Companies of Insurance and Reinsurance

The Incorporation of the Company

Article (46)

1. No person may exercise the insurance business unless they are a Palestinian public shareholding company that is registered in Palestine in accordance with the laws and licenced in accordance with this Law and the regulations and instructions issued in accordance with it, or are a foreign company that is registered and licenced to work in Palestine under this Law and the regulations and instructions issued forth in accordance with it. Any insurance contract or agreement concluded by an insurer that does not meet the condition provided under this Article shall be absolutely void.
2. All shares are required to be nominal and at least 51% of which shall be owned by Palestinian persons on a permanent basis.
3. The insurance contract shall be drawn up in Palestine in the Arabic language for all types of insurance. An accurate translation of the contract may be included in another language. In the event of discrepancy in the interpretation of the contract, the Arabic text shall prevail.

Article (47)

Without prejudice to the provisions of this Law, the provisions of the Company Law shall apply to the companies of insurance and reinsurance.

The Registration of the Company

Article (48)

1. The Authority shall put forward a bylaw that describes the procedures of incorporation and conditions which must be fulfilled by the founders.
2. The company may not commence the exercise of its business unless it is registered at the designated registry. In addition, it may not exercise any branch of insurance other than those with which it was registered.

3. Each insurance contract that has been concluded contrary to the provisions under the two previous paragraphs shall be deemed invalid. Such invalidity may not be remonstrated against the insured persons or beneficiaries from the contracts which the company has issued unless their ill intention is established.

Article (49)

1. The company must notify the Authority of each amendment or modification that is introduced to the data of the application for incorporation, bylaw, licence of exercise, contracts, or documents attached therewith.
2. In the event the amendment or modification mentioned in the Paragraph above addresses the bases of the operations of insurance or the privileges, restrictions, and conditions which the insurance contracts vest, the company must, in case it exercises operations of life insurance or funds composition (saving), submit along with the notice a certificate from an actuary registered by the Authority, which states that the prices, benefits, restrictions and conditions are correct and executable.
3. Such amendments or modifications may not be implemented except upon the approval thereof by the Authority. The expiration of thirty days from the date on which the Authority was notified of the notice without a decision thereon being issued shall be deemed as an agreement to the amendments or modifications. The approved amendments shall be published in the Palestinian Official Gazette at the expense of the company.

The Insurance Licence

Article (50)

1. The registration of the company in itself shall not be deemed a licence for the exercise of the insurance business.
2. The company which wishes to exercise the insurance business in Palestine must obtain a licence for the exercise of such business, after having paid the legal fees.

3. The Authority shall issue a regulation that states the procedures and documents required for obtaining the licence.

Article (51)

1. Following the submission of the papers required for obtaining the licence, the Director shall submit a report to the Authority, within a period of time that does not exceed thirty days, and which shall include his opinion regarding the fulfilment of the conditions for the granting of the licence as well as the types of insurance which he deems that the company may exercise. The Committee may approve the granting of the licence and define the types of insurance which the company shall be permitted to exercise. It may also reject the application based upon a justified decision, provided that its decision is issued forth in any of the two cases within thirty days from the date on which it receives the report of the Director.
2. If the Authority agrees to the granting of the licence, the Director shall prepare the licence certificate and publish its content in the Palestinian Official Gazette following the payment of the legal fees.

Article (52)

1. The licence shall be valid for one year commencing from the date of its being granted until the end of the Gregorian year. The part of the year shall be deemed a whole year for the purposes of the fees. The licence shall be renewed on an annual basis by a request which the company submits to the Director at least thirty days prior to the commencement of each Gregorian year. The Director shall prepare the certificate of the renewal of the licence following the payment of the fees.
2. In the event the company does not submit the request for the renewal of the licence within the period of time provided in Paragraph (1) above, it may not issue forth new insurance policies following the expiration of such period. In these cases, the company shall be deemed suspended from operation and shall be given a period of ninety days to submit the request for renewal. In the event the company does not submit such request, the Authority

shall issue forth a decision to annul the licence based upon the recommendation of the Director.

3. The licence shall be renewed in case the company submits a request thereto with the legal period provided under this Article.

Article (53)

The company must show on the official papers that it issues that it is licenced to exercise the business of insurance or reinsurance as well as the number and date of its registration on the company register at the Authority.

The Cessation of the Licence

Article (54)

Based upon the Director's recommendation, the Authority may cease the implementation of the licence for one or more type(s) of insurance for a period not exceeding one year in any of the following cases:

1. In the event company contravenes the provisions of this Law or the bylaws or decisions issued forth in accordance with it, or contravenes the provisions of any law that relates to the business of insurance.
2. In case the insurer abstains from the implementation of a legally executable provision.
3. In case any matter that necessitates the increase of the deposit is introduced to the financial status of the company due to the decrease of its value, while the company refrains from completing the deficit within the period which the Authority defines.
4. In case the company incurs in any year losses that exceed half of its capital but is not able to reduce such loss to less than that within the financial year following the realisation of such loss.

Article (55)

In the event of the cessation of the licence, the Director shall notify the decision to the company. The decision must be justified and must state the period and date on which the cessation commences.

Article (56)

1. In case the licence is ceased, the company may not issue forth new insurance policies for those types which are ceased.
2. All the rights and liabilities pertaining to the insurance policies issued prior to the cessation shall remain valid as if the company performs the insurance business.

Article (57)

The company whose licence is ceased may submit an application to the Authority through the Director in order to return the licence to it, provided that the application is supported with documents which prove the end of the reason due to which the licence has been ceased. The Authority shall be entitled to accept the application or reject it by a justified decision.

Article (58)

In the event the company does not remove the reason which has led to the cessation of its licence for any type of insurance under the provisions of Article (83) below within the period which the Authority has prescribed, its licence shall be annulled for such type by a decision from the Authority.

Chapter VIII: Properties of Insurance Companies and their Liabilities

Article (59)

Insurance companies must reinsure the insurance operations which they conclude in Palestine at one of the reinsurance companies accredited by the Authority, on the basis of the rates which shall be specified and the effective date thereof determined by a decision to be issued forth by the Authority.

Article (60)

The company shall be prohibited from commencing its business on the basis of the link between the amount of the premium which the bearer of the document pays (wholly or partly) and the number of documents which are payable on a particular date. Excepted from this shall be the profits which are disbursed to the holders of policy issued by life insurance companies and the

funds composition (savings) from the surplus which the actuary defines following the conduct the examination mentioned under Article (82) below.

Article (61)

1. Each company that exercises life insurance and funds composition (savings) must allocate in Palestine properties the amount of which shall at least be equal to the amount of the arithmetical liability by the policy holders and beneficiaries therefrom for the operations which the company concludes and executes in Palestine, on the condition that the value of such properties is not less than fifty thousand Jordanian Dinars or the equivalent thereof in the legal currency.
2. Such properties must be completely separate from the properties pertaining to the other insurance operations.
3. The persons other than the insured and beneficiaries from the life insurance policy and funds composition (savings) may not seize such properties.

Article (62)

1. Each company which exercises insurance operations other than those provided under Article (61) above must present to the Authority the deposit specified by the Authority in order to meet its liabilities before it commences business, on the condition that the deposit of foreign companies is double the amount of the deposit of Palestinian companies.
2. The Authority shall set the amount of the deposit provided for in the previous Paragraph.

Article (63)

The deposit provided under Article (62) above shall consist of the following:

1. 25% in cash as minimum to be deposited at the bank in the name of the company to the order of the Authority. The Authority may decide to raise such percentage in case it deems it justified.
2. The remainder of the deposit shall be in the form of shares and bonds at Palestinian shareholding companies or

bonds issued forth by the Government of Palestine, municipalities, or official public institutions. Mortgage shall be marked upon such shares and bonds to the order of the Authority and shall be accepted for the purposes of the deposit on the basis of its nominal or market value, whichever is lesser.

3. Notwithstanding any other provision in other legislation, the Authority shall be entitled to appoint the accredited banks in Palestine in which deposits shall be made.

Article (64)

At the company's request, the Authority may agree to the replacement of any type of non-cash deposits with another type, provided that the value of the new deposit is not less than the value of the original one.

Article (65)

The bank may not dispose of the deposit available at it or any portion thereof except based upon a definitive judgement issued forth by a Palestinian competent court or upon a written permission from the Authority, provided that it publishes an announcement in two local daily newspapers at least twice prior to the delivery of the deposit or disposal thereof during a period of no less sixty days.

Article (66)

1. The beneficiaries from the insurance policy which the company concludes and executes in Palestine shall have a privilege over the properties designated under Articles (63, 64, and 65) above.
2. In rank, such privilege shall follow the privilege prescribed in the Civil Law.

Article (67)

Each of the company and the bank at which the deposit is available must notify the Authority of any decrease that is introduced to the value of the deposit within a period of time not exceeding seven days from the date on which the decrease commences to occur. The Director may request from the company and bank at any time the information which he deems necessary in regard of the deposit and they must submit it to him within the period of time which he allocates for them.

Article (68)

1. The Authority must request that the company complete the value of the deposit in case it decreases below the limit prescribed thereto in accordance with the provisions of this Law for any reason whatsoever.
2. The company must complete the value of the deposit within a maximum period of sixty days from the date on which it receives the Authority's request. Otherwise, it shall be subject to the suspension of the company licence in accordance with the provisions of this Law.

Article (69)

The company must:

1. Keep the solvency margin in relation to all its businesses in conformity with the instructions issued forth by the Authority.
2. Maintain the minimum amount for the security in relation to all its businesses.
3. Keep in Palestine the properties and reserves in the amount which the Authority defines.
4. Keep in each financial year a reserve for the pending claims as well as those under settlement in accordance with the instructions issued forth by the Authority.

Article (70)

The employees of the company must be Palestinians. However, it may employ foreigners who are specialists in the insurance business upon the approval of the director.

Article (71)

1. The Chairman and members of the Board of Directors of any insurance company that is operating in Palestine as well as its Director General or his deputy or representative or any department manager or head of section shall be prohibited from receiving any commission from any business of insurance.
2. The member of the Board of Directors of the insurance company, the Chairman of the Council, or its Director General may not perform any act that is competitive

with its business or take part in the management of another company that is similar thereto or competitive therewith.

Chapter IX: Registers and Accounts of the Companies of Insurance and Reinsurance

The Registers of the Company

Article (72)

1. The company must keep the following registers for each branch of insurance:
 - a. The register of insurance policies, in which all policies which the company concludes, including a statement of the date of the submission of the application, the addresses of the policy holders, the date of the conclusion of each policy, coverage period and amount, and the modifications and changes made thereto.
 - b. The register of compensations, in which all claims which are submitted to the company are registered, including a statement of the date of submission of each claim, the name of the policy bearer, the aggrieved person, the beneficiary and his address, number of policy, the amount of the reserve prescribed for the accident and the date of the payment of the compensation. If rejected, the date and reasons behind the rejection shall be mentioned.
 - c. The register of agents, in which the company documents the name and address of each agent who works for it.
 - d. The register of agreements, which shall include all the agreements which the company concludes, including a statement of the names and addresses of the entities with which it concludes them, the date of the conclusion of each agreement, the date of its expiration, changes made thereto, and any other data which the company deems important in regard of the agreement.

- e. The register of allocated funds, which shall be marked by the Authority and which shall indicate the invested funds which the property to be allocated in Palestine must include as well as the modifications made to the composition of such funds. The funds relating to the operations of life insurance and funds composition (savings) as well as other operations of insurance must be registered separately.
 2. The reinsurance companies shall keep the two registers mentioned in Paragraphs (4 and 5) under this Article only.
- f. A statement of the funds of the company which must be available in Palestine in accordance with the provisions of this Law, to be supported by the documents which the Authority requires. Such data must be enclosed with a report on the company's business in Palestine during that year.
 2. Such data shall be prepared in conformity with the forms which the Authority defines and shall include all the operations conducted by the company in Palestine as well as abroad separately.
 3. Such data and papers must be signed by the Chairman of the Board of Directors of the company and its Financial Manager. The data pertaining to life insurance as well as funds composition (savings) must also be signed the actuary.

The Financial year of the Company and its Accounts

Article (73)

The financial year of the company shall commence from the beginning of the Gregorian year and shall terminate upon its expiration.

Article (74)

1. The company must keep special accounts for each branch of insurance separately.
2. The Authority may assign the company to keep a special account for one or more type(s) of insurance operation(s) which are included under one type.

Article (75)

1. The company must submit to the Authority on an annual basis and on the date which it defines the data and accounts described below:
 - a. The budget.
 - b. The account of profits and losses.
 - c. The account of the distribution of profits.
 - d. The account of revenues and expenditures for each branch of insurance separately.
 - e. A summary of the agreements on reinsurance.

Article (76)

1. An auditor to be chosen by the General Assembly of the company from among those registered in the register of the Authority shall review the accounts of the company.
2. One auditor may not audit the accounts of more than one insurance company.
3. The auditor may not be an employee at the company, a director thereof or a member on its Board of Directors.
4. The company must place under the disposition of the auditor all the books, documents and data which he deems to be expedient in order to perform his task.

Article (77)

1. The company must present to the Authority an annual report from its auditor, in which he demonstrates that the budget, account of profits and losses, revenues, expenditures, existent pledges, reserves and funds available in Palestine have been duly prepared and that they represent the financial status of the company on the basis of its other books and data which were placed under his disposition.
2. The auditor must notify the Authority of any deficit, error, or contravention which

he notices during his examination, in the event the company does not complement the deficit, correct the error, or remove the causes of the contravention within thirty days from the date on which it was thus notified.

3. Existent pledges in relation to the operations of life insurance and funds composition (savings) must be evaluated by the actuary for the company.

Article (78)

1. The company must notify the Authority of the date and location of the convention of the General Assembly and its agenda within fifteen days prior to the convention. It must also present to the Committee a certified copy of each report that is presented to the shareholders or policy holders as well as the minutes of the general meeting of the shareholders within thirty days following the convention.
2. The representative of the Committee shall attend the general meeting but shall not have a countable vote.

Article (79)

The Authority shall have the right to access the books and registers of the company in order to ensure that it implements the provisions of this Law. Such access shall take place at the main office of the company and shall be conducted by inspectors from the Authority. The Authority may also require that the company correct and complement any information, report or statement that has been submitted to it by the company.

Article (80)

The company may request that the Authority correct any information, report or statement that it has presented to it, and the committee shall be entitled to direct the execution of the correction or reject it based on a justified decision.

Chapter X: Special Provisions on Operations of Life Insurance and Funds Composition (Savings)

Article (81)

The companies which exercise the business of life insurance and funds composition (savings) may not distinguish between any documents of the same type in relation to the prices of insurance or the amount of profits which are disbursed to the policy holders or other conditions, unless such distinction is a result of the difference in the probability of life. The following shall be excepted therefrom:

1. Reinsurance policies.
2. Insurance policies with special conditions on the life of the members of one family or a group of individuals connected through one profession or work or any other social relationship.
3. Insurance policies covering large amounts or long periods that benefit from particular discounts, which are approved by the Authority. The Authority may licence the company to issue discounted policies in case it finds a reason thereto.

Article (82)

1. The companies prescribed under this Chapter must examine the financial status of these two types which they exercise as well estimate the value of existent pledges for each one of them at least once every three years through an actuary. Such estimation shall cover all the operations which the company has concluded.
2. Such estimation must be conducted whenever the company wants to examine its financial status in order to determine the percentages of profits which are disbursed to the shareholders or policy holders.
3. The Authority may request that such estimation be conducted at any time prior to the lapse of three years, provided that at least one year has expired from the last date of examination.
4. The Authority shall issue forth instructions on the definition of the data which the estimation of the actuary must include.

5. The company must forward a copy of the report to the Authority within three months from the date on which the examination was conducted, which shall be attached to the approval of those in charge of the management of the company, including the validity of the data and information stated thereon.

Article (82)

In the event it appears to the Authority that the report of the actuary does not convey the reality of the financial status of the company due to the adoption of erroneous bases in the estimation, it may decide to conduct again the examination provided under this Chapter at the expense of the company.

Article (84)

1. The companies which are provided under this Chapter may not deduct any portion of their funds in return for their pledges arising from the insurance policies in order to distribute it as profit to the shareholders or the policy holders or to pay any amount that deviates from its liabilities under the documents which it has issued forth.
2. The distribution of profits shall be restricted to the amount of the surplus fund which the actuary defines in his report following the conducting of the necessary examination.
3. In the implementation of the provisions of this Article, the properties of the company in Palestine as well as abroad may be deemed one unit.

Article (85)

The companies provided under this Chapter shall be prohibited from lending those in charge of the management thereof or their employees, whether by a real mortgage security or by a personal security, unless the company has free funds from its net profits that exceed the funds which must be available in accordance with the provisions of Articles (63 and 64) above.

Article (86)

Notwithstanding the provision under Article (85), the company may grant loans to the policy holders, including its employees

provided that they do not exceed the value of the policy recovery.

Article (87)

In the event of the bankruptcy or liquidation of any of the companies provided under this Chapter, the amounts payable to each bearer of a policy that has not expired shall be estimated in the amount equivalent to its own arithmetical reserve on the day of the bankruptcy or liquidation ruling or shall be calculated on the basis of the technical rules for the tariff of the premiums and the bases for the conclusion of the policy and composition of the technical reserve.

Chapter XI: Examination of the Business of Companies

Article (88)

1. The Authority may examine the business of the company in case it finds reasons that cause it to believe that the rights of the policy bearers are exposed to loss or that the company has become at risk of not meeting its liabilities or that it has contravened any provision under the Law.
2. Such examination may also be conducted if requested by a number of shareholders representing ten per cent of the bearers of the policies of life insurance and funds composition (savings) provided that a period of no less than three years has elapsed from the date of issuance of their policies.
3. The company must present to the Authority any information, data, or documents which it requests while it is conducting the examination.

Chapter XII: Foreign Insurance Companies

Article (89)

The foreign insurance company may not exercise the insurance business in Palestine except after it obtains a licence. The foreign insurance company shall exercise its business through a branch affiliated therewith, provided that such a branch be registered as a company in Palestine in pursuance of the Law and on the condition of reciprocal treatment.

Article (90)

1. The provisions prescribed under this Law shall be enforced to the branches of foreign companies.
2. The branch of the foreign insurance company must hold a legally certified power of attorney from the company and which stipulates the delegation of the following powers and rights to the branch:
 - a. The power to issue forth insurance contracts and their appendices provided that the company be responsible for the contracts which its branch issues forth in Palestine.
 - b. The right to represent the company before courts as well as official and unofficial bodies in Palestine.
 - c. Receiving admonitions as well as all notices and correspondence forwarded to the company.
 - d. Providing the Authority with the information pertaining to the business of the foreign company.
 - e. The power to pay compensations resulting from the risks insured under the insurance policy which it issues forth on behalf of the foreign company.
 - f. Keeping separate accounting registers and books for the business of the company in Palestine, including its closing accounts, in pursuance of the provisions of this Law as well as the bylaws and instructions issued in accordance with it.

Article (91)

The branch of the foreign company operating in Palestine may not calculate from among its deductible expenditures from its taxable income more than 5% (five per cent) of the total premiums realised annually from its business in Palestine, to contribute to the expenses of the main office, including the administrative and technical services provided by the office.

Article (92)

The branch of the foreign company must maintain the solvency margin and the

minimum amount for security in relation to all insurance business which it exercises.

Chapter XIII: Transference of Policies, Cessation of Business, Merger, Annulment of Licence and Cancelling of Registration

The Transference of Policies

Article (93)

In case the company decides to transfer its policies along with the rights and liabilities arising therefrom, it must submit an application thereon to the Authority accompanied by the following documents:

1. A copy of the transference contract to be signed by the representatives of the parties to the contract.
2. A copy of the reports on the basis of which the contract has been concluded. In the event the transference of liabilities pertaining to life insurance and funds composition (savings), a report from an actuary who is licenced by the Authority must be enclosed.
3. A statement of the assets and adversaries of each company accompanied by a declaration signed by the Chairman of the Board of Directors of the company that confirms the validity of the items included in the statements. The Authority may also request any other data or clarifications necessitated by the examination of the application.

Article (94)

The application for transference shall be published in the Official Gazette as well as in at least two local daily newspapers including the following data:

1. That the company has submitted an application to the Authority for the transference of its policies along with the relevant due rights and liabilities.
2. The title of the company to which the policies and liabilities are transferred.
3. Inviting the policy holders and beneficiaries therefrom and each interested entity to submit their

challenges to the Authority within thirty days from the date of publication in the transference application.

4. Any other data which the Authority deems necessary to be made clear for the public.

Article (95)

1. The Authority shall issue forth its decision on the approval of the transference in case it appears that it does not damage the interest of the policy holders and beneficiaries therefrom and the creditors of the company. Such decision shall be published in the Official Gazette and shall be used as an argument towards the policy holders and beneficiaries therefrom as well as the creditors of the company.
2. The deposit of the company which has transferred some or all of its insurance policies shall remain to be existent and seized to the order of the Authority for a period of time not exceeding ninety days following the finalization of the legal procedures of transference.
3. The rights and liabilities which were owned by the local company shall devolve to the transferee company in relation to the transferred documents taking into consideration the provisions pertaining to the conveyance of ownership.

The Cessation of Business

Article (96)

In the event the company decides to cease its business in one or more branches of insurance and wishes to discharge its properties relating to such branches, it must submit to the Authority an application enclosed with the following documents:

1. A document proving that it has finally discharged itself from its liabilities for all the current policies for the branch or branches in which it has decided to cease its business, or that it has transferred its policies to another company in the manner detailed under Chapter I in this Part.
2. A document proving that it has published, in at least two local daily newspapers in accordance with the conditions which

the Authority defines, an announcement which shall appear in each one of them at least three times with an interval of fifteen days in between, about its resolution to submit an application to the Authority three months after the date of the last announcement to discharge its properties or a portion thereof in Palestine. Such announcement shall include an invitation to the policy holders and others concerned to submit their challenges to the Authority within a period expiring on the day on which the aforementioned application is submitted.

Article (97)

The Authority shall decide to respond to the company's application in the event no one submits a challenge against it within the period of time stated in Paragraph (2) under Article (96). If a challenge is submitted within that period, the application shall not be adjudicated except after the conclusion of an agreement or issuance of a final judgement in regard of such challenge. Nonetheless, the Authority may permit the discharge of the properties of the company on condition of preserving an amount that equals its liabilities towards the person submitting the challenge, including the expenditures which may be required for preserving any of the company's assets.

The Merger of Insurance Companies

Article (98)

The company, in the event it decides to merge with other companies, must perform the following:

1. Submit an application thereon to the Authority, including the reasons behind the merger as well as be enclosed with:
 - a. The decision of the extraordinary general assembly on the approval of the merger.
 - b. The report of the actuary or the actuary which supports the merger and states that it does not prejudice the rights of the policy holders.
 - c. A report from the accounts auditor on the financial status of the companies

- prior to the merger, along with a certified statement of their assets and liabilities.
2. The Director shall submit the application for the merger along with the reports and data enclosed with it to the Authority. In case the Authority approves the merger in principle, the Director shall form a committee to assess the value of movable and immovable assets as well as their actual value for each company wishing to merge. In addition, he shall define the method of the formation of the committee and its powers in a manner that safeguards the protection of the rights of shareholders, policy holders, and beneficiaries.
 3. All this shall be added to the procedures which must be followed in accordance with the Company Law in force.

Article (99)

1. In the event the Authority approves the committee's report, the merger shall be announced in the Palestinian Official Gazette as well as in two local daily newspapers on two consecutive days. Each concerned person shall have the right to submit a challenge to the Authority within thirty days from the date on which the first announcement was published.
2. The merging companies must allow the insured to examine the agreement under which the merger was completed in order to verify its provisions. Such agreement shall remain accessible at the main office of each of the merging companies for a period of one month from the date of the publication of the merger agreement.
3. In case the challenge is not admitted within thirty days from the date of its submission, the person submitting the challenge shall have the right to objection before the competent Court of First Instance against the decision of merger within fifteen days from the date on which he was notified of the refusal.
4. Following the settlement of challenges and completion of the merge procedures, the legal procedures shall be commenced for the transference of rights and liabilities

to the company with which the merger was conducted. The licence of each merging company shall be deemed annulled by law. In addition, the merging company as well as the company with which the merger has been completed shall be exempted from the fees of the conveyance of ownership and taxes and all fees resulting from the merger.

5. All the rights and liabilities of the merging company shall transfer to the company with which the merger is conducted in pursuance of the provisions of the Law.

The Annulment of the Licence and Cancellation of the Registration

Article (100)

The licence shall be annulled and the registration of the company cancelled from the register in any of the following cases:

1. In case the licence or registration appears to have been performed in an illegal manner.
2. In case the company has persisted on the contravention of the provisions of this Law or the bylaws or its executive decisions.
3. In case it has been established to the Authority in a definitive manner that the company is not able to satisfy its liabilities, or that it continuously neglects the implementation of its due claims in an illegal manner.
4. In case the company does not complement the deficit in its paid capital despite its being thus demanded.
5. In case the company does not keep in Palestine the properties that must be allocated under the provisions of this Law and has not complemented them within one year despite its being thus requested.
6. In case the company refrains from the submission of its books and documents for review or examination which the Authority conducts.
7. In case the company ceases the exercising of its activity in Palestine for a whole year.
8. In case a decision on the declaration of the bankruptcy of the company is issued.

Article (101)

In addition to what is stated under Article (100) above, the Authority may revoke the licence of insurance granted to the branch of the foreign insurance company in one of the two following cases:

1. In case the branch fails to realize total annual premiums equal to four times the value of the deposit thereof with respect to activities in each type of insurance practiced thereby in Palestine.
2. In case the branch fail to achieve realize profits from its business in Palestine, for three consecutive years, not less than 7.5% (seven and a half per cent) of the total annual premiums in each type of insurance which it exercises.

Article (102)

In the event it is proven that the company has issued forth a decision to liquidate itself voluntarily or a decision has been issued forth by the competent court to liquidate it or its bankruptcy has been declared, its licence shall be deemed to void by law.

Article (103)

The decision of cancellation shall not be issued forth except following the notification of the company in writing so that it submits the defence thereof in writing within thirty days from the date of notification.

Article (104)

The total or partial cancellation shall be effected by a decision from the committee and shall be published in the Palestinian Official Gazette. Partial cancellation shall only apply to the activities provided for in the decision.

Article (105)

The decision on the cancellation of the registration of the company shall result in the prevention of the company from practicing business in the insurance branches provided for in the decision.

Article (106)

1. The Authority shall be entitled to permit the company to continue its activities at the time of cancellation and annulment

of the licence under the conditions which it deems proper. It may also decide to liquidate the business of the company.

2. The liquidation shall be conducted in conformity with the rules which the Authority decides so as to include the fulfilment of the liabilities of the company under the supervision of a committee appointed by the Authority.

Chapter XIV: Insurance Agents, Brokers, Actuaries, and Investigators

Insurance Agents

Article (107)

No person may work as an insurance agent except after meeting the conditions below:

1. To have obtained a licence from the Authority to practice insurance agency after passing the test put forward by the Authority.
2. To have obtained a written assignment from the company which has appointed him as an agent thereof.
3. The letters and forms of the office used in the business of the insurance agent shall bear statements indicating his capacity as an insurance agent.
4. To identify himself as an insurance agent to every person who applies for an insurance policy. He must inform the insurance applicant of the name of the company for which he works as an agent.

Article (108)

In the event an insurance agent abides, under an agreement with the company, to work as an agent to solely such company and not to refer any insurance contract to any company, he must state on the letters and forms of the office used in his business that he is an exclusive agent to that company.

Article (109)

No company may appoint an agent thereof unless he meets the conditions provided in Clauses (B, C, and D) under Article (121) below.

Article (110)

The insurance agent must keep separate accounts books for the following types of insurance:

1. A separate account for all the premiums paid to the company for non-life insurance policies, including the amounts paid and due to the insured. Such accounts shall be named in all the financial registers kept by the agent under the accounts of non-life insurance.
2. A separate account for all the premiums paid to the companies in accordance with the life insurance policies, including the amounts paid and due to the insured. Such accounts shall be called, in all the financial registers kept by the agent, accounts of life insurance.

Article (111)

The agent may not conclude an insurance policy between any person and the insurer without a written agreement between him and the insurer, stipulating that the agent be bound to the following:

1. To deposit the amounts which he collects from the insured in a separate account for the company with which he is contracted.
2. To transfer to the insurer, by the fifteenth of each month, the amounts which he collected from the insured in the previous month.

Article (112)

1. All the funds of the agent used in the insurance business shall be registered in the relevant accounting books, with the exception of the commissions paid to the agent as well as the amounts which he earns in return for services pertaining to insurance policies.
2. No person shall claim or receive a right from an agent from any appropriated amount for any reason from such accounts prior to the satisfaction of all outstanding claims thereon.

Article (113)

The Authority may issue forth instructions compelling the agents to submit guarantees

to secure their liabilities. It may also compel them to submit insurance policies on their own professional responsibility, the conditions, insured amounts, and limits of responsibility shall be defined by the Authority.

Article (114)

The insurance agent may not accept any amount of money for an application for insurance unless the company has approved such application or in case the amount is accompanied by a complete application for insurance. In the case of renewal of the insurance policy, the approval of amounts from the client shall be subject to the company's approval of the renewal.

Article (115)

In the event the insurance agent accepts a complete insurance proposal which the client submits with the intention to conclude an insurance policy or in case the agent accepts to renew an insurance policy at the client's request, without being authorised by the company to issue forth the insurance policy, he must provide the client with a provisional certificate for a period of no more than one month in which he mentions that it is issued under this Article and includes the following data:

1. The name and address of the client.
2. The amount paid by the client and the date on which it was received by the agent.
3. The insurance proposal, the policy document, or the proposal approval by the company in relation to the policy premium.
4. The name of the company with which the insurance contract will be signed, or the name of the company which has approved the insurance proposal.
5. A statement that the approval of the agent shall not be deemed in itself as an insurance policy.
6. Any other data which the Authority may require to include in the certificate based upon the recommendation of the Director.

Article (116)

1. The premiums paid to the insurance agent in relation to the renewal of an insurance contract based upon the company's will, or in regard of an insurance proposal that has been approved by the company, shall be deemed paid to the company.
2. The insurance company shall be deemed fully responsible for the actions of its accredited agent. With respect to the insurance business and shall be responsible before the insured for the policies which are issued by the agent.

Article (117)

1. The Authority may revoke the licence of the agent completely or in relation to a branch of insurance in any of the following cases:
 - a. In case the agent requests that his licence be annulled.
 - b. In case an order is issued forth to liquidate the agent or appoint an official receiver for him or in case a decision is made to liquidate him voluntarily or an order is issued forth to seize his properties or declare his bankruptcy thereof.
 - b. In case the agent violates a material condition of the licence.
 - d. In case the agent violates the provisions of the Law or the agreement concluded between him and the company by failing to deposit the amounts which he collected from the insured in a separate account or has not transferred them to the insurer by the fifteenth of the month following the month in which he collected them.
 - e. In case the agent fails to meet any of the conditions of the licence after it was granted to him.
2. The licence of the agent shall not be annulled except after allowing him a reasonable opportunity to present his defence before the Authority.
3. The annulment of the agent's licence shall result in the immediate suspension of the

insurance business in accordance with the decision of annulment.

Article (118)

The insurance broker or reinsurance broker may not practice his business unless his name is registered in the designated register at the Authority.

Article (119)

The provisions of Articles (123) and (127) below shall apply to the business of insurance brokers in terms of the conditions of registration in the relevant register as well as the renewal and cancellation of such registration.

Article (120)

The insurance companies may not accept local transactions by insurance brokers unless they are registered in the designated register at the Authority. Excepted from this shall be employees in the production departments at the insurance companies at the time of promulgation of this Law.

Actuaries

Article (121)

1. The actuaries may not practice their business unless they are registered in the designated register at the Authority. Each person whose name is registered in such register shall be required:
 - a. To hold an academic degree in the actuarial sciences from any of the universities, institutes or associations of the actuaries, or a certificate approved by the Authority.
 - b. Not to have been convicted with criminal penalty or a penalty restraining freedom for a crime involving trust or honour unless rehabilitated.
 - c. Not to be sentenced to bankruptcy unless he was rehabilitated.
 - d. Not to have an impediment to his capacity.

2. The non-Palestinian actuaries shall be registered provided that they have been licenced to practice the profession abroad.

Article (122)

1. The actuary shall be registered in the register of the actuaries upon the approval of the Authority and payment of the prescribed fees.
2. The name of the actuary shall be deleted from such register by a decision from the Authority in the event he does not meet any of the conditions of registration or based upon his request, or in case it has been established that he presented incorrect data as a result of deliberate or serious negligence or recurrent non-compliance with the technical conditions required for his business.

The Consultant Actuaries

Article (123)

The Consultant Actuaries may not practice their business unless registered in the designated register at the Authority. The person who is registered in such register shall be required:

1. To hold an academic degree in insurance from one of the recognised universities, or another certificate approved by the Authority or to be highly qualified with experience in the insurance business of not less than ten years five years of which in management.
2. To meet the conditions detailed in Clauses (B, C, and D) under Article (121) above.

Article (124)

In case the consultant actuary is a judicial person, legal representative thereof shall meet the conditions provided for in article (123) above.

Article (125)

1. The actuary shall be registered in the register upon the approval of the Authority and payment of the prescribed fees.

2. The registration shall be cancelled by a decision from the Authority in the event the actuary fails to meet the conditions of registration or based upon his request or in case it has been proven that he presented incorrect information that is required under the provisions of this Law deliberately or due to serious negligence or recurrent non-compliance with the technical conditions required for his business.

Article (126)

Any actuary may not be assigned with insurance consultancy before courts, arbitration panels or any other bodies unless he is registered.

Inspection and Damage Assessment Experts

Article (127)

1. The Inspection and damage assessment experts may not practice his business unless he is registered in the designated register at the Authority.
2. The request for registration or renewal shall be submitted to the Authority in accordance with the conditions which it decides.
3. The registration shall be valid for a period of three renewable years upon the payment of the legal fees.
4. The person who is registered in the register of the inspection and damage assessment experts shall be required to meet the conditions related to the qualification and experience put forward by the Authority in addition to the Clauses (B, C and D) under Article (121) above.

Article (128)

The provisions of Article (123) above shall apply to the inspection and damage assessment experts in terms of the conditions of their registration in the relevant register and the renewal and cancellation of such registration.

Article (129)

The insurance companies may not hire inspection and damage assessment experts other than those registered at the Authority. Excepted from this shall be the cases which require a special technical expertise.

The Insurance Investigators

Article (130)

1. The insurance investigator may not practice unless he is registered in the designated register at the Authority.
2. The insurance investigator shall conduct investigation of the conditions and circumstances of the claims as well as examine their causes and the extent of injury and damage. He may record the statements, obtain all reports, and take photographs of persons and places and any other matters pertaining to his business, and he concerned authorities shall enable him to perform his business.
3. The provisions of Articles (123, 127) above shall apply to the business of insurance investigators as well as the conditions of their registration on the relevant register and renewal and cancellation of such registration.

Chapter XV: Palestine Insurance Federation

Article (131)

Under this Law, a federation to be called the (Palestine Insurance Federation) shall be established and shall have an independent judicial person.

Article (132)

1. All the insurance companies operating in Palestine shall be members at the Federation by law. They shall select from among them an interim board of directors for a term not exceeding one year.
2. The Federation shall be deemed the legal representative of the insurance companies before the official and unofficial departments as well as all competent entities in relation to the general

insurance matters within the limits of the provisions, duties, and powers defined by the bylaw of the Federation issued as per this Law.

3. The interim board of directors shall prepare the bylaw which shall enter into force upon the Authority's approval thereof.

Article (133)

The Federation shall exercise its functions and activity to regulate the insurance business, particularly the professional conduct of members as well as maintain the traditions and ethics of the profession and define the minimum optional insurance rates in a manner in line with the international rates of such insurances.

Article (134)

The Federation shall assume the regulation of the relationships between members in regard of the settlement of the cases of joint and recovered compensations as well as co-insurances and set forth mechanisms for the settlements of accounts between them.

Article (135)

In order to perform its functions, the Federation shall have the power to recommend to the Authority that penalties be imposed on the members that contravene the decisions of the Federation or the conducts of the profession. It shall also be entitled to recommend that the licence of members for one or more types of insurance be suspended.

Article (136)

The Federation shall provide the Authority with a copy of any decision issued by the General Assembly of the Federation or its Board of Directors within fifteen days from the date on which the decision was issued. The copy shall also be certified by the Chairman of the Federation.

Chapter XVI: Motor Insurance

Article (137)

No person may use, or allow or cause another person to use, a motor vehicle without a

valid insurance licence that conforms to the provisions of this Law.

Article (138)

The insurance policy shall be deemed in compliance with the provisions of this Law in case it has been issued forth by an insurer who is licenced to work by the Authority and covers anybody damage resulting from a road accident that is inflicted upon the following:

1. The owner or driver of the vehicle against any liability they incur towards any person who is inside or outside the vehicle.
2. The owner of the vehicle who drives it or another person who drives it upon permission by of the owner, the same as any other injured person.

Article (139)

The validity of insurance policy may not exceed the validity period of the vehicle's licence.

Article (140)

Neither insurer nor the insured may annul or suspend the insurance policy as long as the licence of the vehicle is valid except in the following two cases:

1. Conveyance of the ownership of the vehicle in accordance with the provisions of the Law of Traffic.
2. Obtaining a certificate from the Licensing Authority which states the annulment or suspension of the vehicle's licence.

Article (141)

The insurer may not put forward in the insurance policy any provision which restricts the use of the vehicle in terms of:

1. The age of persons who drive the vehicle.
2. The condition of the vehicle, with the exception of the vehicle whose licence has expired for a period exceeding ninety days.
3. The number of persons carried by the private vehicle only.
4. The times and places where the vehicle is used.

5. Marking the vehicle with distinctive marks other than those required under the Law.

6. A valid driving licence regardless of the date of issuance thereof.

Article (142)

In case the insured or owner sells the vehicle, he must deliver the original policy and notify the insurer in writing within thirty days from the date of sale.

Article (143)

1. In case the insured or new owner proves to have contravened the provisions of Article (142) above and if either one thereof sustain a body damage resulting from a road accident that occurred to the vehicle within the period provided for under that Article, the insurer shall be relieved from the liability to compensation.
2. In all cases, the rights of the injured from the third entity shall be retained towards the insurer after the lapse of the period mentioned under Article (142) above.

Chapter XVII: Liability for Compensation

Article (144)

1. Each person using, or allowing others to use, a motor vehicle shall be liable for compensating the injured for each bodily, physical or moral damage resulting from a road accident involving the vehicle.
2. The responsibility of the person using the vehicle or allowing others to use shall be fully and absolutely liable for compensating the injured, regardless of whether there was an error by him or by the injured.

Article (145)

The insurer and the insured or the Fund shall be liable (as the case may be) to compensate the injured who sustains by a bodily, physical, or moral damage as a result of the road accident.

Article (146)

The following provisions shall be valid if more than one vehicle is involved in the road accident:

1. The driver of each vehicle shall be liable for the bodily damages which affected the passengers of his vehicle.
2. The drivers shall be jointly liable for compensating each person who was injured outside any of their vehicles involved in the road accident. However, the burden of compensation shall be equally distributed between them.
3. For the implementation of Paragraph (2) under this Article, physical contact shall be required to take place between the vehicles or between any one thereof and the injured. Such contact shall be established if the vehicles or any one thereof touch the injured.

Article (147)

1. In the event a road accident involving one or more heavy vehicle and with one or more light vehicle, the insurers of the heavy vehicle shall pay to the insurers of the light vehicle fifty per cent of the compensation for bodily damages resulting from the accident.
2. The insurers of the heavy vehicle shall be jointly liable towards the insurers of the light vehicle and shall equally bear the burden of liability.

Article (148)

The driver or owner of the vehicle, the person allowing the use thereof, or the injured or their heirs must inform the insurer or the Fund (as the case may be) of the occurrence of the road accident within thirty days from the date of the occurrence of the accident or from the date on which he was able to report the accident.

Article (149)

The injured shall not be entitled to compensation in any of the following cases:

1. The person who deliberately caused the occurrence of the road accident.

2. The person who has driven or used a vehicle to commit a crime or misdemeanour.
3. The person who has driven the vehicle without a valid insurance at the time of the accident or contravened the conditions of the insurance policy.
4. The person who drove the vehicle without permission of its owner or the person legally authority to dispose thereof, and anyone who knew that it is driven in such a manner.
5. The person who drove the vehicle without a driving licence or with a driving licence that does not allow him to drive this type of vehicle, with a licence that has expired more than one year ago or during the period of his prohibition from driving based upon a decision issued by a legally competent authority.
6. The owner or the person legally authorized to dispose of a vehicle who allowed another person to drive it without the vehicle a valid insurance or with an insurance does not cover the road accident in which any of them was injured, whether the injured was inside or outside the vehicle.
7. Notwithstanding the provisions of Paragraph (6) above, in the event the driver was injured in a road accident while he was driving a vehicle with permission of the owner or the person legally authorized to dispose thereof without a valid insurance or with an insurance that does not cover the accident without his knowledge and being able to know about it, he shall have the right to claim compensation from the Fund the same as any other injured person.

Article (150)

In the event the road accident leads to the death of the driver who is not entitled to compensation under this Law, the dependents from among his heirs shall have the right to claim compensation from the Fund in pursuance of the provisions of this Law.

Chapter XVIII: Compensable Damages

Article (151)

The injured person shall have the right to file a lawsuit to claim compensation for the bodily, physical, or moral damages which affected him or her due to the accident, against both the insurer and the insured or against the insurer or the Fund only.

Article (152)

The compensation for moral damages caused by the road accident shall be as follows:

1. Fifty Dinars for each one per cent of the percentage of the permanent disability.
2. Forty Dinars for every night which the injured spends in a hospital or any medical facility for treatment because of the road accident.
3. Five hundred Dinars for the surgery or surgeries which were conducted on the injured because of the road accident and which necessitated hospitalization.
4. In the event the injured is not entitled to compensation in accordance with Paragraphs (1, 2, and 3) under this Article, he shall be entitled to compensation not exceeding five hundred Jordanian Dinars or the equivalent thereof in the legal local currency.

Article (153)

The total amount of compensation for moral damages may not exceed ten thousand Jordanian Dinars or the equivalent thereof in the legal local currency.

Article (154)

In the event the accident leads to the death of the injured, the amount to be paid to his heirs shall be fifty per cent of the maximum limit indicated in Article (153) above, less the share of the dependent heirs in accordance with the certificate of succession of the deceased.

Compensation for the Physical Damage

Article (155)

In the calculation of the compensation for the loss of earning and the loss of earning capacity, the income which exceeds double the average of wages in the economic field to which the injured belongs shall not be disregarded in accordance with the latest publication issued forth by the Palestinian Central Bureau of Statistics.

Article (156)

In the event the road accident leads to the inability of the injured to work, he shall be entitled to 100% (one hundred per cent) of his daily wage throughout the duration of his temporary disability, provided that the duration of disability does not exceed two years from the date of the accident.

Article (157)

In the calculation of the compensation for the loss of future earning capacity, a deduction shall be conducted in return for immediate payment.

Article (158)

1. In case the injured is a minor, the court must decide the amount to be deposited at a bank in the name of the injured until he reaches the legal age.
2. Based upon the request of the legal representative of the minor, the court may decide to grant the representative the right to disburse a monthly amount to provide for the minor until he reaches the legal age in the event the condition of the injured thus requires.

Article (159)

The legal action to claim compensation for the damages caused by the road accident shall become subject to prescription in case it is not lodged within three years from the date on which the accident took place or the date of the final medical report if the period exceeds the three years mentioned above.

Chapter XIX: Urgent Payments

Article (160)

In accordance with the provisions of this Law, the person liable for compensation must pay to the injured an urgent payment within thirty days of being thus notified by the claimant, including the following amounts:

1. The necessary expenses which the injured has disbursed for treatment because of the accident, including the expenses of his hospitalization, as well as the expenses which must be disbursed for his treatment and nursing because of the accident.
2. Monthly payments covering the requirements of living costs of the injured and dependent members of the family thereof and the necessary treatment and nursing which must be disbursed to him due to the accident.
3. In the determination of the monthly payment, the income of the injured within the three months that preceded the date of the accident shall be taken into account. The income which exceeds double the average of wages mentioned under Article (155) above shall be disregarded.

Article (161)

In case the period of the thirty days which is defined under the previous Article has expired but the person liable for compensation did not pay the urgent payment, the claimant may submit an application for urgent payment to the magistrate of summary justice or to the court authorised to hear the case.

Article (162)

The judge shall schedule a session to examine the case within one week from the date on which it was submitted, allowing the respondents a period of fifteen days to present a pleading from the date on which they were notified with the bill of application.

Article (163)

The rules of notification provided for under the Law of Civil and Commercial Procedure shall apply in hearing the claims.

Article (164)

1. The claimant must appear before the judge to discuss the claim with him.
2. The judge must hear preliminary evidence on the liability for compensation.
3. In the event the judge finds that the claimant is entitled to compensation in accordance with the provisions of this Law, he shall issue forth his decision during the same session unless he deems it necessary to adjourn in order to summon another person to examine him or to present any additional evidence in regard of a particular issue.
4. In case the judge decides to approve the claim, he must assign for him a date for the claimant to present the original pleading before the competent court.

Article (165)

The total of the monthly payments may not exceed twelve payments from the date of the decision.

Article (166)

The disbursement of the monthly payments shall be suspended in the event the claimant does not deposit his original pleading within the period assigned for him in accordance with Paragraph (4) under Article (164) above or in the event it has been cancelled after the presentation thereof.

Article (167)

1. An additional request for urgent payments or amendment of the previous decision may not be approved unless six months have elapsed as of the date of the previous decision and the circumstances have changed, thereby justifying the issuance of a new decision.
2. Each request for the issuance of a decision amending the previous decision shall be submitted to the same judge who adjudicated the previous application or to the court before which the original case is being heard.

Article (168)

1. The decision issued on the request for urgent payment shall be executed on an expedited basis and subject to appeal within seven days from the date on which it was issued.
2. The decision issued forth by the Court of Appeals shall be final and incontestable.
3. All the amounts paid to the claimant shall be part of the total compensation due to the injured upon the establishment of liability.

Article (169)

In case the total urgent payments paid to the claimant exceeds the amount awarded in the original case, or in case the court decide to dismiss the case by a final judgement, the respondent who has paid the urgent payments shall have the right to recourse to the claimant or the person liable for the damage or the Fund.

Chapter XX: The Palestinian Road Accidents Victims Compensation Fund

Article (170)

Under the provisions of this Law, a fund to be called (the Palestinian Road Accidents Victims Compensation Fund) is to be established and shall be an independent judicial person.

Article (171)

A board of directors shall assume the management of the Fund and be composed of:

1. The Deputy Minister of the Ministry of Finance as a Chairman.
2. The Director General of Insurance.
3. The Director General of the Palestinian Road Accidents Victims Compensation Fund.
4. The representative of the Palestine Insurance Federation to be appointed by its Board of Directors.
5. An actuary to be appointed by the Authority.

Article (172)

1. Resources of the Fund shall consist of a percentage of the fees of the compulsory insurance to be defined by the Authority for each policy.
2. The insurance companies shall transfer the percentage mentioned in Paragraph (1) above to the Fund on the date defined by the Authority. In the event the company fails to do so, the Authority shall have the power to impose a fine for delay upon the company. Such fine shall be charged to the resources of the Fund.

Article (173)

With the exception of the driver, the Fund shall compensate the injured person who is entitled to compensation in accordance with the provisions of this Law and who cannot claim compensation from the insurer due to any of the following reasons:

1. In case the driver who caused the accident was anonymous.
2. In case the driver does not have insurance under the provisions of this Law.
3. In case the insurer was in liquidation.
4. In case the driver has insurance but it does not cover the accident in question due to:
 - a. The use of the vehicle for a purpose contrary to the uses defined in its licence.
 - b. The driving of the vehicle by the driver without a driving licence or with a licence that does not allow him to drive the same type of vehicle.
 - c. In case the insured did not pay the insurance premium on the agreed date.
 - d. In case fraud or deception is committed by the insured or in case he conceals material facts when he received the insurance policy.
 - e. Any other case in which the policy does not cover the liability to compensation in accordance with the provisions of this Law.

Article (174)

The injured in the cases mentioned under Article (173) above shall have the right to receive compensation from the Fund in the same manner he had the right receive it from the insurer, including the payment of the hospitalization expenses and the urgent payments.

Article (175)

1. The Fund shall have the right to claim the amounts paid by it due to the accident from any of those mentioned below:
 - a. The person who is not entitled to compensation under the provisions of Article (149) above.
 - b. The person who did not have a valid insurance at the time when the accident, with the exception of the person who had an annual insurance whose validity expired within thirty days prior to the date of the accident.
 - c. The person who has insurance that does not cover the accident according to the cases mentioned in Paragraph (4) under Article (173) above.
 - d. The owner or person legally authorized to dispose of the vehicle.
2. The right of recourse, whether With respect to the Fund or between the persons involved in the accident, shall be subject to the provisions of civil liability.
3. The Fund shall be exempted from payment of judicial fees.

Article (176)

The Fund shall be a preferred creditor to the insurer in liquidation through the amounts which it has paid due to the accident.

Article (177)

In case the Fund was unable to fulfil its liabilities towards the injured, the Ministry of Finance shall pay such deficit from the treasury.

Chapter XXI: Penalties

Article (178)

1. The company which practices the insurance business before it receives the licence, during the period of the suspension of the licence or after the revocation or issuance of a decision of refusal to renew the license, shall be punished by a fine of not less than three thousand Jordanian Dinars or the equivalent thereof in the legal local currency, and not exceeding ten thousand Jordanian Dinars or the equivalent thereof in the legal local currency. Its Director General or the director of branch (as the case may be) shall also be punished by the fine or imprisonment for a period of time not exceeding two years, or both. The penalty shall be aggravated in the event of repetition, provided that it does not exceed the double of its maximum limit.
2. The contracts which the company issues under Paragraph (1) above shall be deemed effective against the company as well as the third entity acting in good faith. The company shall compensate the insured acting in good faith for all the losses to which he is subjected due to the illegality of the contract.

Article (179)

1. Each person who issued insurance contracts contrary to the provisions of this Law shall be punished by imprisonment for a period of not less than one month and not more than six months or a fine of not less than three thousand Jordanian Dinars, or the equivalent thereof in the legal local currency, and not more than seven thousand Jordanian Dinars, or the equivalent thereof in the legal local currency.
2. Each person who practices insurance agency or brokerage without having legal licence shall be punished by imprisonment for a period of not less than one month and not more than three months or a fine of not less than five hundred Jordanian Dinars, or the equivalent thereof in the legal local currency, and not more than two thousand Jordanian Dinars, or the

equivalent thereof in the legal local currency.

3. The contracts which are issued under Paragraphs (1 and 2) under this Article shall be deemed effective against the person who has issued them as well as the third entity acting in good faith. The person who has issued them shall compensating the insured acting in good faith for all the losses incurred thereby due to the illegality of the contract.

Article (180)

1. The company which has infringed the provisions of this Law as well as the regulations, instructions and orders pertaining to the commissions shall be punished by a fine of not less than three thousand Jordanian Dinars, or the equivalent thereof in the legal local currency, and not more than seven thousand Jordanian Dinars, or the equivalent thereof in the legal local currency.
2. In the even the insurance agent or broker contravenes the provisions of this Law as well as the regulations, instructions and orders pertaining to the commissions, he shall be punished by a fine of not less than one thousand and five hundred Jordanian Dinars, or the equivalent thereof in the legal local currency, and not more than three thousand Jordanian Dinars, or the equivalent thereof in the legal local currency.

Article (181)

Each person who has impeded or prevented the Insurance Director General or any employee at the Authority from performing their tasks in order to implement this Law, or has intervened in order to prevent them from accessing the information required to perform their tasks, or has refrained from providing them with such information shall be punished by imprisonment for a period not exceeding three months or a fine of not less than one thousand and five hundred Jordanian Dinars, or the equivalent thereof in the legal local currency, and not more than ten thousand Jordanian Dinars, or the equivalent thereof in the legal local currency.

Article (182)

With respect to anything not provided for in special provisions, each person who contravenes the provisions of this Law or the bylaws, instructions or decisions issued forth in accordance with it shall be punished by a fine not exceeding fifteen thousand Jordanian Dinars.

Chapter XXII: Conclusive and Transitional Provisions

Article (183)

1. Insurance on movable and immovable properties in Palestine or the movable properties brought into Palestine may not be conducted at an insurance company outside Palestine.
2. The insurer may be entitled to reinsurance inside or outside Palestine.

Article (184)

The Authority may propose a draft law in order to impose the compulsory insurance against certain risks.

Article (185)

The Director must present to the Authority, within six months from the date on which this Law enters into force, the draft bylaws relating to the conditions and requirements for granting life insurance and non-life insurance licenses, as well as the other draft bylaws which must be issued to enforce this Law.

Article (186)

All the instructions, decisions, orders, and notices issued by the Authority or the Insurance Director General shall be forwarded to the concerned person on his designated address in Palestine via registered delivery or express mail, fax, by personal delivery against a receipt, or by all means of notification effective under the Law. The date of delivery shall be deemed the seventh day from the date of depositing the letter in the post or from the date of the fax or the telex.

Article (187)

All the decisions, instructions, and orders issued by the Authority and the Director in accordance with the provisions of the Law shall be published in the Official Gazette.

Article (188)

1. With respect to persons working in the insurance sector in Palestine prior to the enforcement of this Law, the licences issued forth to them shall remain effective if they are valid. They shall be renewed under the same conditions effective at the time they were issued for a period of time not exceeding one year from the date of the enforcement of this Law.
2. The persons mentioned in Paragraph (1) must correct their statuses in accordance with the conditions and requirements of this Law within the original or additional period prescribed in said Paragraph.

Article (189)

The Council of Ministers shall issue forth the bylaws necessary for the implementation of the provisions of this Law.

Article (190)

1. All the orders and provisions issued forth by the authorities of the occupation in regard of insurance shall be repealed.
2. Anything that contradicts the provisions of this Law shall be repealed.

Article (191)

All competent authorities, each within the sphere of its jurisdiction, shall implement the provisions of this Law which shall enter into force within thirty days from its publishing in the Official Gazette.

Promulgated in the city of Ramallah on October 13th, 2005 *Anno Domini*, corresponding to Ramadan 10th, 1426 *Anno Hegira*.

Mahmoud Abbas

Chairman of the Executive Committee of the Palestine Liberation Organisation

President the Palestinian National Authority

1.b. Presidential Decrees

Decree Law No. 5 of 2007 on the Amendment of the Law No. 7 of 2005 on Public Retirement

Chairman of the Executive Committee of the Palestine Liberation Organisation,

President of the Palestinian National Authority

Having reviewed the Amended Basic Law of 2003 A.D., particularly Article (43) thereof,

The Law No. 34 of 1959 A.D. on Civil Retirement,

The Law No. 8 of 1964 A.D. of Insurances and Pensions and its amendments,

The Law No. 4 of 1998 A.D. of Civil Services and its amendments,

The Labour Law No.7 of 2000 A.D.,

The Law No. 3 of 2003 A.D. of Social Insurances,

The Law No. 16 of 2004 A.D. on Insurances and Pensions of the Palestinian Security Forces,

The Law No. 7 of 2005 A.D. of Public Retirement,

The Law No. 18 of 2005 A.D. on the Allowances and Remunerations of the President of the Palestinian National Authority, and

The Law No. 11 of 2004 A.D. on the Honorariums and Salaries of the Members of the Legislative Council, Members of the Government and Governors;

Based upon the powers bestowed upon me; and

And based on the public interest considerations,

I hereby promulgate the following Law:

Article (1)

The Law No. 7 of 2005 A.D. of Public Retirement shall be referred to under this

Decree Law as the original Law for the purposes of amendment.

Article (2)

1. Paragraph (C), Clause (1) of Article (8) under the original Law shall be repealed and replaced with the following provision "Employees of local bodies and public institutions".
2. Paragraph (2) of Article (8) under the original Law shall be repealed and replaced with the following provision: "Employees of local and civil society organisations, the private sector, and workers who are subject to the provisions of the Labour Law as well as the employees, members and contributors to professional Federations. Such shall be regulated by a bylaw to be issued forth by the Council of Ministers".

Article (3)

The term 'government' mentioned under Articles (16, 17, 18, 19, 26, and 28) under the original Law shall be replaced with the term 'employer'.

Article (4)

Article (12) under the original Law shall be amended by the addition of a new paragraph to bear number (6) as follows: "The Public Retirement Administration shall be responsible for the management and supervision of all such accounts, and all the powers entitled to any previous administration shall devolve thereto. It shall also enforce the provisions of relevant effective laws in accordance with the provisions of this Law".

Article (5)

Article (18) under the original Law shall be repealed and replaced with the following provision:

“The compulsory contribution by the employer to the Defined Contributions shall be (3%) and by the contributor (3%) of the salary. The contributor shall be entitled to contribute with any other additional percentages, provided that this does incur any additional obligations on the part of the employer”.

Article (6)

Article (25) under the original Law shall be amended as follows:

1. Paragraph (3) shall be repealed and replaced with the following provision:

“In the case of death, the retirement pension shall be disbursed to heirs in accordance with the Table provided under this Law. In the event a contributor dies during the actual service, the retirement pension shall be counted in accordance with the bases approved for the calculation of the salary of the physical disability mentioned under Paragraph (1), Clause (B) of Article (25) under the original Law. The retirement pension shall be disbursed to the entitled heirs in accordance with the Table provided under this Law”.

2. Paragraph (4) shall be repealed and replaced with the following provision:

“The amounts of insurance which the Commission pays to contributors under this Law or to the persons entitled on their behalf shall be payable in the following two cases:

- a. Death of the contributor while he is in the service prior to attaining the age of sixty. In such case, the amount shall be paid to the legal heirs or to the persons whom the contributor appoints prior to his death.
- b. Termination of the service of the contributor before he attains the age of sixty due to medical unfitness in the event it is caused by a full disability, in pursuance of a medical commission issued forth prior to the decision on the termination of service.
- c. In both cases, the amounts of insurance shall be equal to the

percentage of the annual salary in conformity with the age and in accordance with Table (1) under Article (25) of the original Law.

3. A new clause shall be added thereto following Clause (6) and shall bear number (7) as follows: “In addition to the pension benefits, the following payments shall be made:

- a. A family increment in accordance with the Law of Civil Service so long as the contributor is entitled to the pension.
- b. In case the scale of salaries and grades changes or varies at any time from the scale in place upon the expiration of the service of the beneficiary, the pension shall be settled on the basis of the new scale of salaries and grades as of the month in which the change or variance occurs, whichever is better for the beneficiary.

4. A new clause to bear number (8) shall be added thereto as follows: “The period of secondment, unpaid educational leaves, period of official delegation and regular and exceptional leaves shall be included within the pension benefits, provided that all due contributions are paid as per the Law, in accordance with a bylaw to be issued forth by the Council of Ministers”.

5. A new clause to bear number (9) shall be added thereto as follows:

- a. In case of the death of a contributor under the provisions of this Law, the employer shall continue to disburse the salaries of said contributor for a period of three months, inclusive of the month in which said contributor died as well as two other months. In case of the death of the contributor after retirement, the Retirement Commission shall continue to disburse the retirement pension of said contributor for three months as of the month in which he died.
- b. In both cases, the salary of a month shall be adopted with a minimum of five thousand (5000) shekels in accordance with the cases mentioned above for the widow or widows in the event they are many, the guardian of minors or the person proven to have

sustained the expenses of the funeral. Anything contrary thereto under any other law or regulation relating to retirement shall be repealed.

- c. The provisions of this Article shall be applicable to all other regulations on retirement.

Article (7)

1. Paragraph (2) of Article (27) under the original Law shall be repealed and replaced with the following provision: "The contributors who have completed twenty years of service that are admissible for the purposes of retirement for males and fifteen years for females, and who have reached the age of 55 shall receive an infirmity retirement pension".
2. Paragraph (3) of Article (27) under the original Law shall be repealed and replaced with the following provision: "The minimum limit of the years of contribution to receive an infirmity retirement pension shall be (25) years of service for males and (20) years of service for females that are admissible for the purposes of retirement as well as the attainment of (50) years of age".

Article (8)

Paragraph (B), Clause (1) of Article (28) under the original Law shall be repealed and replaced with the following provisions:

"In the event the possibility of transference is not available for the employee, but said employee had a service of less than three years, the amounts which said employee had subscribed to the Defined Benefit System and Defined Contributions shall be repaid to said employee. In case said employee had served for three years or more, but was not entitled to a retirement pension, all the contributions which said employee used to pay under the Defined Benefit System as well as his contribution and the contribution of the employer under the Defined Contribution System shall be disbursed to said employee once he contributes in such a System".

Article (9)

The table on the distribution of the retirement pension, which is provided for in Article (34) under the original Law, shall be repealed and replaced with the following table:

Case Number	Entitled Persons	Due Shares in the Retirement Pension			
		Widows	Children	Parents	Siblings
1	Entitled widow or widows or spouse and more than one son	0.5 half	0.5 half	—	—
2	Entitled widow or widows or spouse and one son and parents	0.5 half	One third	One sixth for one or two	—
3	Entitled widow or widows or spouse and one son	0.5 half	One third	—	—
4	Entitled widow or widows or spouse or more than one child and parents	One third	0.5 half	One sixth for one or two	—
5	Entitled widow or widows or spouse and parents without the presence of children	0.5 half	—	One sixth for each one of them	—
6	More than one child and parents without an entitled widow or spouse	—	0.75 three quarters	One sixth for one or two	—

7	One child and parents without an entitled widow or spouse	—	0.5 half	One sixth for each one of them	—
8	Parents without an entitled widow or spouse	—	—	One third for one or two	—
9	A brother or sister without an entitled widow or spouse without children or parents	—	—	—	One sixth
10	More than one brother or sister without an entitled widow or spouse without children or parents	—	—	—	One third in equal proportion

Article (10)

Paragraph (1) of Article (36) of the original Law shall be repealed and replaced with the following provision:

“The civil employee included in the Law may receive an early retirement pension upon the approval of the Commission and completion of (15) years of service that are counted for the purposes of retirement and reaching the age of (55) years. In such case, the retirement pension in accordance with the Defined Benefit System shall decrease by (5%) until reaching the age of compulsory retirement which is defined to be at sixty years.”

Article (11)

Article (113) shall be amended by adding Paragraph number (3) as follows:

3. For purposes of purchase, the fractions of the year of the years of actual service, which are counted for the employee, shall be deemed a full year.

Article (12)

Article (118) under the original Law shall be repealed and replaced with the following provision:

1. The provisions of this Law, including its amendments, shall be applied to all cases of retirement as of September 1st, 2006 A.D. Entitlements prior to this date shall be settled, each in accordance with the system which was benefited from.
2. The Public Retirement Commission shall calculate the pension entitlements

of the members of the Legislative Council, members of the Government and Governors in accordance with the provisions of Law No. 11 of 2004 A.D. on the Remunerations and Salaries of the Members of the Legislative Council, Members of the Government and Governors, and shall calculate the pension entitlements of the President of the Palestinian National Authority in accordance with the provisions of the Law No. 18 of 2005 A.D on the Allowances and Remunerations of the President of the Palestinian National Authority.

3. The Public Treasury of the Palestinian National Authority shall pay the pension entitlements to the persons included under Paragraph (B) above, provided that all the periods preceding the occupation of these positions are combined. They may not combine such entitlements with any pay, salary, or pension of any other retirement system.
4. The retirement pension shall be disbursed in the event of death to heirs in accordance with the Table provided under this Law.

Article (13)

The calculation of the severance pay provided under the Labour Law No. 7 of 2000 A.D. shall be halted for contributors as of the date of the enforcement of the provisions of this Law upon them.

Article (14)

The following Articles under the Law No. 16 of 2004 A.D. of Insurance and Pensions of the Palestinian Security Forces shall be replaced with the following provisions:

1. Paragraph (1) of Article (24) under Law No. 16 of 2004 shall be repealed and replaced with the following provision: "The pension shall be settled on the basis of the average salaries of the last three years which are adopted for the purposes of retirement. This shall be applicable to all other systems of pension."
2. Article (25) under Law No. 16 of 2004 shall be repealed and replaced with the following provision: "The pension shall be settled for the person who is entitled to pension on the basis of (2.5%) of each year of service of the average salary of the last three years of service that are admissible for the purpose of retirement."
3. Article (26) under Law No. 16 of 2004 shall be repealed and replaced with the following provision: "The maximum limit of the monthly pension may not exceed (70%) of the last monthly salary."
4. Article (31) of under Law No. 16 of 2004 shall be amended by adding the following Table:

Age upon resignation	Percentage of reduction in the pension
45 years or below	20%
46 years – 50	15%
51 years – 55	10%
56 to less than 58 years	5%

5. Article (56) under Law No. 16 of 2004 shall be repealed and replaced with the following provision: "In case the primary beneficiary's period of actual service exceeds the maximum limit of the period of the service that is admissible for retirement by (28) years in accordance with the provisions of this Law or if the amount of the pension exceeds the percentage of the maximum limit provided for in this Law, a remuneration of service shall be disbursed for the excessive

period that equals (15%) of the annual salary for each year of excessive service."

Article (15)

1. The personal increment prescribed by the Law No. 34 of 1959 A.D. on Civil Retirement and its amendments, the Law No. 8 of 1964 A.D. of Insurance and Pensions and its amendments, the Law No. 16 of 2004 A.D. of Insurance and Pensions of the Palestinian Security Forces, the original Law, and any other regulation on retirement shall be repealed.
2. A sum of three hundred shekels shall be disbursed in addition to the retirement pension to the retiree or heirs thereof, provided that it is disbursed to the heirs of the deceased person or martyr in accordance with the Table provided under this Law.

Article (16)

Article (55) under the Law No. 16 of 2004 A.D. of Insurance and Pensions of the Palestinian Security Forces shall be repealed.

Article (17)

Articles (116 and 117) under the original Law shall be repealed.

Article (18)

Anything that contradicts the provisions of this Law shall be repealed.

Article (19)

The financial aspects of this Law shall be implemented in phases in accordance with the financial capacities of the Palestinian National Authority, which the Council of Ministers decides.

Article (20)

This Decree Law shall be presented to the Legislative Council in the first session, which it holds, for approval.

Article (21)

All competent authorities, each within the sphere of its jurisdiction, shall implement the provisions of this Decree Law, which shall enter

into force as of the date of its promulgation,
and shall be published in the Official Gazette.

Promulgated in the city of Ramallah on August
23rd, 2007 *Anno Domini*

Corresponding to Sha'ban 10th, 1428 *Anno*
Hegira

Mahmoud Abbas

**Chairman of the Executive Committee of the
Palestine Liberation Organisation**

**President of the Palestinian National
Authority**

Decree Law No. 8 of 2007 on the Amendment of the Insurance Law No. 20 of 2005

The Chairman of the Executive Committee of the Palestine Liberation Organisation,

The President of the Palestinian National Authority,

Having reviewed the Amended Basic Law of 2003 A.D., particularly Article (43) thereof, and

The Insurance Law No. 20 of 2005 A.D.,

Based upon the powers bestowed upon me; and

And based on the public interest considerations,

I hereby promulgate the following Decree Law:

Article (1)

Clause (1) of Article (171) under the Insurance Law No. 20 of 2005 A.D. shall be repealed and replaced with the following provision:

"A board of directors shall assume the management of the Fund. It shall be composed of:

1. A representative of the Ministry of Finance from the higher category as a Chairperson."

Article (2)

This Decree Law shall be presented to the Legislative Council in the first session, which it holds, for approval.

Article (3)

All competent authorities, each within the sphere of its jurisdiction, shall implement the provisions of this Decree Law, which shall enter into force as of the date of its promulgation and shall be published in the Official Gazette.

Promulgated in the city of Ramallah on September 17th, 2007 *Anno Domini*

Corresponding to Ramadan 5th, 1428 *Anno Hegira*

Mahmoud Abbas

Chairman of the Executive Committee of the Palestine Liberation Organisation

President of the Palestinian National Authority

Decree Law No. () of 2007 Concerning the Amendment of the Decree Law Amending the Law No. 7 of 2005 on Public Retirement

The Chairman of the Executive Committee of the Palestine Liberation Organisation,

The President of the Palestinian National Authority,

Having reviewed the Amended Basic Law of 2003 A.D., particularly Article (43) thereof, and

The Law No. 7 of 2005 A.D. on Public Retirement,

The Decree Law on the Amendment of the Law No. 7 of 2005 on Public Retirement, which was promulgated on August 23rd, 2007 A.D.,

Based upon the powers bestowed upon us; and

And based on the public interest considerations,

We hereby promulgate the following Decree Law:

Article (1)

1. Article (17) under the Decree Law on the Law No. 7 of 2005 A.D. on Public Retirement shall be amended as follows:
 - a. Article (116) under the original Law shall be repealed.
 - b. Article (117) under the original Law shall be amended as follows: "The Council of Ministers may pension off any employee in case he completes fifteen years of service that are admissible for retirement without deduction of his obligatory entitlements."

Article (2)

Anything that contradicts the provisions of this Law shall be repealed.

Article (3)

This Decree Law shall be presented to the Legislative Council in the first session, which it holds, for approval.

Article (4)

All competent authorities, each within the sphere of its jurisdiction, shall implement the provisions of this Decree Law, which shall enter into force as of the date of its publishing in the Official Gazette.

Promulgated in the city of Ramallah on September 9th, 2007 *Anno Domini*

Corresponding to Sha'ban 27th, 1428 *Anno Hegira*

Mahmoud Abbas

Chairman of the Executive Committee of the Palestine Liberation Organisation

President the Palestinian National Authority

Decree Law No. 1 of 2008 Concerning the Amendment of the Law No. 7 of 2005 on Public Retirement

Chairman of the Executive Committee of the Palestine Liberation Organisation,

President of the Palestinian National Authority

Having reviewed the Amended Basic Law of 2003 A.D. and its amendments;

Having reviewed the Law No. 8 of 2005 A.D. of Service in the Palestinian Security Forces;

Having reviewed the Law No. 7 of 2005 A.D. on Public Retirement;

Having reviewed the Decree Law No. () of 2007 A.D. Concerning the Amendment of the Law No. 7 of 2005 on Public Retirement, which was promulgated on August 23rd, 2007 A.D.;

Based upon the recommendation of the Prime Minister No. (/12/PM/SF) of 2008 A.D.,

Based upon the powers bestowed upon me; and

In realisation of the public interest,

I hereby promulgate the following Decree Law:

Article (1)

The following provisions shall be supplemented within Chapter II under title seven under the title "General and Transitional Provisions" in the following sequence:

1. Each employee in the Palestinian security forces shall be entitled to retire and obtain the net of his current salary (the salary in his receipt), provided that the following conditions are available:
 - a. His age reached (45) years or more and he had years of service which are not less than (15) years.

- b. The recommendation of the Committee of Officers.

2. Each employee in the Palestinian security forces, whose age reached (45) years or more and had years of service that are not less than (9) years, may purchase the remaining years, which amount to (6) years at most, so that he attains years of service that are not less than (15) years in order to benefit from the privileges of Article (1) above.
3. The retirement salary (pension) shall be counted in accordance with the provisions of the Law No. 7 of 2005 A.D. on Public Retirement and its amendments, on condition that the retirement pension is not less than the net of his current salary in pursuance of the provisions of Paragraph (1) above.

Article (2)

All competent authorities – each one within its sphere of jurisdiction – shall implement the provisions of this Decree Law, which shall enter into force as of the date of its promulgation until March 31st, 2008 A.D., and shall be published in the Official Gazette.

Promulgated in the city of Ramallah on February 8th, 2008 *Anno Domini*

Mahmoud Abbas

Chairman of the Executive Committee of the Palestine Liberation Organisation

President the Palestinian National Authority

Decree Law No. 8 of 2011 on Income Tax

The President of the State of Palestine,

The Chairman of the Executive Committee of the Palestine Liberation Organisation

The President of the Palestinian National Authority

Having reviewed the Amended Basic Law of 2003 and its Amendments, particularly the provisions of Article (43) thereunder,

Having reviewed the Law No. 17 of 2004 on Income Tax and its Amendments,

Based upon the recommendation of the Council of Ministers dated October 25th, 2010,

Based upon the powers bestowed upon me, and

In the name of the Palestinian Arab People,

I hereby promulgate the following Decree Law:

Chapter I: Definitions and General Provisions

Article (1) Definitions

The following words and expressions provided in this Decree Law shall have the meanings assigned to them thereto unless the context determines otherwise:

The National Authority:	The Palestinian National Authority.
The Minister:	Minister of Finance.
Department:	The Income Tax Department.
Director:	Director General of the Department.

Tax:	The Income Tax imposed in accordance with the provisions of this Decree Law.
Assessor:	Any employee or any committee of employees duly authorised in writing by the Director to carry out any tax assessment or audit in accordance with the provisions of this Decree Law.
Person:	A natural or legal person.
Taxpayer:	Each person obliged to pay, withhold, or transfer the tax according to the provisions of this Decree Law.
Natural person:	Individual taxpayer or partner in a joint-liability company or simple limited partnership or any sole proprietorship specified by law.
Legal person:	Each and every administration or corporation which enjoys the legal personality by virtue of law, such as various types of associations, public shareholding companies or limited liability companies, partnerships limited by shares and foreign companies whether resident or non-resident.

Local authority:	Any local governance unit within a certain geographical and administrative area established under the provisions of the legislations in force.	Final accounts:	The final accounts of the business enterprise which measures the value of the business outcome and the financial status, including the profit distribution account, and the report of the certified auditor.
Company:	Includes any public shareholding company, or limited private shareholding company that is duly registered in Palestine pursuant to the Company Law in force, or foreign company or its branches operating in Palestine. Co-operative associations shall be treated as public shareholding companies in their for-profit activities.	Deductions:	The costs and expenses which are spent or incurred in order to produce income during the tax period.
Business activity:	Commercial, industrial, agricultural, professional, service or handicraft activity carried out by a person with the intent to achieve or gain profits.	Exemptions:	Amounts excluded from net income.
Resident:	<ol style="list-style-type: none"> 1. A Palestinian who continuously or with interruptions resided in Palestine for a period not less than (120) days during the year in which the income is received. 2. A Palestinian who was employed during any period of the year by the Palestinian Authority or a local authority whether inside or outside Palestine. 3. A natural non-Palestinian person who continuously or with interruptions resided in Palestine for a period not less than (183) days during the year in which the income was received. 4. A legal person that is registered in Palestine and has an office or a branch which it controls and manages. 	Gross income:	The income of the taxpayer received from each income source that is subject to tax pursuant to the provisions of this Decree Law.
		Net income:	The remainder of the gross income from all sources that is subject to tax after deducting costs and expenses related to work as defined pursuant to the provisions of this Decree Law.
		Taxable income:	Net income after deducting carryover losses, exemptions and donations successively as indicated in this Decree Law.
		Tax balance due:	Tax owed after deducting any credits, discount or advanced payments according to the provision of this Decree Law.
		Disposition transactions:	Endowment or donation of assets or entering into contractual arrangement or agreement for the transfer of such assets or for its revenues.
		Fiscal year:	The period of twelve consecutive months at the end of which the person closes his accounts.

Tax period:	The period in which tax is calculated according to the provisions of this Decree Law.
Tax declaration:	A tax declaration that is submitted by the taxpayer according to the form adopted by the Department.
Court:	The Income Tax Appeal Court, or the competent court as may be appropriate.

Article (2) Taxpayer Registration

A person who practices business or investment activity shall be obliged to register with the Department from the date of conducting the activity or operating the business.

Article (3) Tax Base

Unless an exemption is provided for in this Decree Law, all income received for any person from any source shall be subject to tax.

Article (4) Tax Annuity

1. The tax liability of the taxpayer is calculated on the basis of the calendar year.
2. A taxpayer who closes his/ her accounts at different time other than the end of the calendar year may calculate the tax on the basis of the taxpayer's fiscal year subject to prior approval of the Director to do so.

Article (5) Calculating Taxpayer's Income for Tax Purposes

1. The taxpayer's income shall be calculated on the accrual basis, except interests and commissions related to doubtful debts for banks and specialised lending companies, and mortgage and financial leasing companies, which shall be calculated in the year of their collection in accordance with instructions issued by the Minister upon the recommendation of the Director.
2. The Director shall determine freelance taxpayers or categories of freelance taxpayers whose tax shall be calculated on a cash basis according to instructions issued for this purpose.

3. The tax on leasing contracts shall be calculated in accordance with instructions issued by the Minister upon the recommendation of the Director.
4. The tax shall be calculated in (ILS) until a national currency is issued, and when accounts are administered in other currencies, the tax shall be calculated according to instructions issued by the Minister upon the recommendation of the Director.

Article (6) Method of Imposing Tax

The tax shall be imposed uniformly on all total taxable income sources in accordance with the provisions of this Decree Law.

Article (7) Tax-Exempt Income

The following sources of income shall be exempt from the tax imposed according to this Decree Law:

1. The income of local authorities and public institutions received from any work that is not intended for-profit.
2. The income of religious endowments (Awqaf), and orphans' funds that are established by law.
3. Any amount paid as compensation to injury or death, according to legislation in force.
4. Severance payments that are paid according to the legislation in force and not exceeding one month for each year.
5. Pension payments.
6. Travel mission or representation allowance that is paid to public or private sector employees, provided that it is spent for the purposes of the job.
7. Tax refunds resulting from settling previous years.
8. Income from a job or service earned by blind or disabled persons with at least fifty percent (50%) disability according to the report of the competent medical committee.
9. Tax-exempt incomes pursuant to a special law or a bilateral or multilateral agreement concluded by the National Authority.

10. Additional amounts that are paid as allowances or bonuses for Palestinians while working abroad in diplomatic or consular corps. This exemption does not include cost of living allowance.
11. Salaries and allowances paid by the United Nations from its budget to its staff and employees.
12. Income earned by funds approved by the Minister, such as retirement, savings, social security, and health insurance funds, provided that the exemption is limited to income from the contributions of both employers and employees.
13. The wages of non-Palestinians staff of the diplomatic or consular corps who represent other countries in Palestine subject to reciprocal treatment.
14. The profits from stocks and dividends distributed by a resident person.
15. A person's income earned abroad unless originating from the taxpayer's funds or deposits in Palestine.
16. A rate of twenty five percent (25%) of the profits from buying and selling stocks and bonds, provided that no expenses are allowed for deduction on this rate of exempted profits.
17. Inheritance, except that revenues generated from inherited properties hereafter shall not be exempt.
18. The income of cooperative associations in relation with their transactions with their members.
19. The incomes of charitable associations, non-profit companies, unions and professional associations, cooperative societies and Zakat committees and authorised charitable funds provided that:
 - a. The income is from non-profit work.
 - b. The income is not from business or investment activity of a nature that affects the competitiveness of the private sector.
 - c. The organisation provides an annual copy of their final accounts certified by public accountant.

Chapter II: Deductions

Article (8) Deductions from Income

1. In calculating the taxable income of any person, costs and expenses that were spent or deserved entirely and exclusively for the production of gross income during the tax period shall be deducted, and that includes:
 - a. Sale, transportation, marketing and distribution expenses.
 - b. Administrative, legal fees and rental expenses.
 - c. Fixed finance charge (Murabaha) and loan interest.
 - d. Value added tax on salaries and wages and value-added tax paid on the profits of banks, financial companies and institutions.
 - e. Salaries and paid wages.
 - f. Incorporation expenses, fees of evacuation for old premises, the one-time fee at move-in to new premises and promotional expenses provided they are equally distributed over five years from the date of payment.
 - g. Severance payments paid in accordance with the legislations in force.
 - h. The compensations paid for work injury or death and the expenses of medical treatment of employees and their families and life insurance premiums against work injuries.
 - i. The amounts paid by the employer for any fund that is approved by the Minister such as the saving, social security and health insurance funds.
 - j. The actual training costs for staff and employees that do not exceed two percent (2%) of annual net income.
 - k. The actual expenditures for internal research and development, scientific research, and partnership with scientific institutions for the purpose of development of no more than two percent (2%) of gross income or (ILS 500,000) per year whichever is lower.

- l. The actual expenditures to adopt Palestinian specifications and standards, and the application of best practices in the management of institutions, including the development of electronic accounting systems and the adoption of international accounting standards, not to exceed two percent (2%) of the gross income or (ILS 500,000) per year whichever is lower.
 - m. The actual expenditure for exploring and searching for new export markets to promote Palestinian products that do not exceed two percent (2%) of the gross income or (ILS 500,000) per year whichever is lower.
 - n. Foreign exchange losses.
 - o. The specific rate of the cost of assets such as machinery, tools, equipment, furniture, furnishings and buildings that contain functioning machines currently owned by taxpayer or will be owned in the future for its depreciation during the tax period through which the income was achieved pursuant to a regulation issued in accordance with the provisions of this Decree Law.
 - p. Business entertainment expenses with a percentage not exceeding one percent (1%) of the gross income or (ILS 150,000) per year whichever is lower to the natural and legal person with the exception of public shareholding companies as this expense shall be accepted for these companies with a percentage of no more than one percent (1%) of the gross income or (ILS 300,000) per year whichever is lower.
 - q. The bad debts, in accordance with the instructions issued by the Minister upon the recommendation of the Director and in coordination with the Monetary Authority and relevant authorities.
 - r. The loss resulting from the replacement of machinery, tools and equipment or their parts used in the work. This loss shall be calculated on the basis of the cost of the machinery, equipment or tools, or some of their parts, exclusive of the price received by the taxpayer and the sums deducted previously for their depreciation.
 - s. The allocations of branches in the expenses of the main headquarters that is located outside Palestine with a percentage not exceeding two percent (2%) per year of the gross taxable income of branches in Palestine.
 - t. Allotment of risks and claims under settlement which are reported to insurance companies in accordance with instructions issued by the Minister upon the recommendation of the Director.
 - u. Allotment of collecting doubtful debts, interests and commissions incurred on such debts for the banks and the specialised lending companies in accordance with instructions issued by the Minister upon the recommendation of the Director.
2. The expenses and expenditures that are related to tax-exempt income shall be excluded in accordance with instructions issued by the Minister upon the recommendation of the Director.

Article (9) Unallowable Deductions

The following deductions shall not be allowed:

1. Household, personal or private expenses.
2. The cost of any construction or improvements which increases the capital value.
3. Losses or any expenses recoverable under an insurance policy or a compensation contract.
4. Allotments and reserves of different types, in accordance with subparagraphs (T,U) of paragraph (1) of Article (8) of this Decree Law.
5. Amounts paid as Income Tax.
6. Capital expenditures.
7. Salaries or wages or any other amount that is subject to tax unless income tax

was withheld from it and paid to the Department.

8. Losses from revaluation of assets.
9. Fines.

Article (10) Loss Deduction

1. If any person suffered a loss during the tax period in one of his taxable income sources according to this Decree Law, the loss shall be deducted from his net income in the same tax period from other sources.
2. If the loss reached an amount that cannot be fully deducted as prescribed in paragraph (1) of this Article, the loss in excess shall be immediately carried over to the following tax period and again to the following tax period for a maximum limit that does not exceed five tax periods.
3. A loss which would not be taxable had it been a profit, shall not be deducted according to the provisions of this Decree Law.
4. Notwithstanding the provisions in the preceding paragraphs of this Article, the loss shall not be deducted or carried over unless the taxpayer provides accurate accounts.

Article (11) Donations

Donations paid to Zakat funds, charitable associations, non-profit organisations that are officially registered in Palestine, and donations to the institutions of the National Authority, and private and public funds pursuant to an official call shall be deducted from taxable income in a manner that does not exceed twenty percent (20%) of taxable income during the same tax period.

Chapter III: Exemptions and Clearance

Article (12) Exemptions

1. In order to calculate the amount of taxable income, the natural resident person shall be granted the following exemptions:
 - a. An annual exemption of (ILS 30,000).

- b. The actual amount paid for fixed transportation to the servants and employees of the public sector.
 - c. Amount paid for transportation or ten percent (10%) of the total annual salary, whichever is lower, for the servants of the private sector.
 - d. The contributions of employees or civil servants to savings and retirement funds, health insurance, social security or any other funds approved by the Minister.
 - e. A one-time exemption of (ILS 30,000) for purchasing or building a house, or an exemption from the amount of actual interest paid on a loan from a bank or lending or housing institution that has been spent on buying or building a house, with a maximum of (ILS 4,000) annually, for a period not to exceed (10) years, provided that the supporting documents should be presented.
 - f. A university exemption of (ILS 6,000) per year per student for paying his/her tuition fees, his/her spouse or his/her children's tuition fees at a university or community college or an institute ranking above the high school level. This exemption shall not apply to students who received a scholarship. The exemption applies to a maximum of two students in each year.
2. The Council of Ministers upon the recommendation of the Minister may wholly or partially amend the exemptions stated in this Article, in accordance with the requirements of the public interest.

Article (13) Deductions and Credits for Buildings and Lands Tax Paid

Buildings and Lands Tax paid by any person in any year on rented buildings and lands from which he/she achieved income shall be deducted from gross income as follows:

1. A deduction in the amount of forty percent (40%) of the value of Property Tax paid as expenses.
2. A credit in the amount of sixty percent (60%) of the value of Property Tax paid

from the taxpayer's tax liability according to the provisions of law, provided that the credit shall not exceed the amount of tax paid on rents for the tax period.

Article (14) Husband and Wife Income

1. The husband and wife each shall be considered as an independent taxpayer.
2. Both husband and wife shall enjoy the exemptions stipulated in this Decree Law, with the exception of the exemption stated in subparagraphs (e, f) of paragraph (1) of Article (12) of this Decree Law which shall be granted to one of them.
3. The husband and wife may request to combine their incomes and be regarded as one taxpayer.

Article (15) Fraudulent Transactions

1. If income was received from a sale or disposal transaction which the taxpayer made in favour of a dependent who has not reached the age of (18) years at the beginning of the tax period in which the income was received, it shall be considered for the purpose of this Decree Law as income for the person who carried out the transaction.
2. If income was received from a revocable disposal transaction, this income shall remain income for the person who carried out the disposal transaction, and the disposal transaction shall be considered a revocable transaction if it contains a text that enables to transfer or retransfer the income to the person who carried out the disposal transaction or if he /she is given the right of control over the income or the assets from which the income is received directly or indirectly.
3. If the assessor finds that a transaction is fraudulent or a sham, the assessor may disregard this transaction and assess tax on the concerned persons accordingly.
4. If a non-resident person has conducted any work or activity or craft that is subject to tax according to the provisions of this Decree Law with a resident person, and the assessor finds that the non-resident has control over the work activity to the extent that leaves the resident with no income or profit or with an income less

than what could be earned, the tax shall be assessed on the basis of the actual profits to the non-resident person and he/she shall pay the tax. In the event of failure to pay the tax by the non-resident, the resident person shall be obliged to pay the tax on this basis.

Chapter IV: Tax Rates and Brackets

Article (16) Tax Brackets and Rates

1. Tax shall be levied on the taxable income of any natural person according to the following brackets and rates:
 - a. From ILS 1 to ILS 40,000 - 5%.
 - b. From ILS 40,001 to ILS 80,000 - 10%.
 - c. In excess of ILS 80,000 - 15%.
2. A rate of fifteen percent (15%) shall be levied on the taxable income of any legal person.
3. A rate of five percent (5%) shall be levied on the life insurance premiums collected by life insurance companies. Incomes realised by the company from activities other than life insurance shall be subject to the provisions of this Decree Law as stated in paragraph (2) of this Article.
4. Tax paid by a legal person shall be considered as a final tax, and shall not be refunded or cleared for any partner or shareholder.
5. The Council of Ministers may amend brackets and rates referred to in this article wholly or partially upon the recommendation of the Minister, in accordance with the requirements of the public interest.

Chapter V: Assessing the Income Tax

Article (17) Assessing the Tax

1. The tax shall be assessed as follows:
 - a. Self-assessment by the taxpayer by submitting the tax declaration and its attachments.
 - b. Administrative assessment by the assessor if the taxpayer did not submit

the tax declaration or if it is totally or partially rejected.

- c. Assessment by agreement between the taxpayer and the Department on the amount of tax liability if the assessor does not accept the self-assessment or the taxpayer objects to the administrative assessment.
 - d. Assessment by the Court.
2. The tax shall be assessed on the taxpayer before the end of the taxpayer's fiscal year in the event of termination or closing down of the taxpayer's business for any reasons, including the taxpayer's intention to leave the country.
 3. The reassessing of tax shall be conducted by the Finance Minister or the employee authorised by the Minister in writing.

Article (18) Categories Obligated to Submit the Tax Declaration

1. According to the provisions of this Decree Law, every taxpayer shall submit a tax declaration supported by documents and the necessary information in accordance with Articles (19) and (20) of this Decree Law, and the declaration and other information shall be subject to scrutiny by the assessor.
2. The persons whose incomes are tax-exempt according to the effective investment legislations shall submit the tax declaration.
3. The heirs or their representatives shall submit the tax declaration for their ancestor within (6) months from the date of his/her death and pay the due tax before the distribution of the legacy.
4. The liquidator of a company shall inform the Department in writing of the beginning of liquidation procedures to specify and prove the amount of tax liability of the company, and shall submit a tax declaration on behalf of the company he/she is liquidating and he/she shall be obliged to pay the tax as soon as it is due according to the provisions of this Decree Law.
5. The Minister, upon the recommendation of the Director, may issue instructions through which certain categories of

natural persons are exempted from submitting the declaration prescribed under this Article.

Article (19) Date for Submitting the Tax Declaration

1. Every taxpayer is obliged to submit the tax declaration, according to the form approved by the Department and the attachments referred to in Article (20) of this Decree Law, and to deliver it by hand against a receipt or by a registered mail with acknowledgment of receipt or by any other means approved by the Minister upon the recommendation of the Director. It shall then be sent to the Department within four months following the end of the tax period, specifying the details of the taxpayer's gross income, deductions, net income, exemptions, taxable income and tax liability for the tax period.
2. The taxpayer who submits the tax declaration and its attachments within the specified period shall be granted a promotional discount for the due tax balance that is to be paid as follows:
 - a. A four percent (4%) discount from the tax due balance after deducting the advances paid for which he/she was granted previous discount from the Department, if the return was submitted in the first month of the following tax period and the tax paid during this month or during the tax periods included in this declaration.
 - b. A discount of two percent (2%) of the due tax balance after deducting the advances that are paid for which he/she was granted previous discount from the Department, if the declaration was submitted in the second or third month of the following tax period and the tax paid until the end of the third month of the tax period or during the tax periods included in the declaration.

Article (20) Tax Declaration Attachments

1. The taxpayer shall submit along with the tax declaration the following attachments:
 - a. A copy of the final accounts for the tax year and a certificate by the certified

auditor and a copy of amendments report for the purposes of income tax approved by the certified auditor. This applies to public and private shareholding companies, and any legal person that is subject to tax and to persons whose incomes are exempted from tax according to the effective investment legislation and the individual taxpayers in accordance with instructions issued by the Minister upon the recommendation of the Director.

- b. In accordance with subparagraph (A) of this Article, ordinary companies and persons who are obliged to keep accurate accounts shall attach a copy of the final accounts and amendments report for the tax purposes according to the effective laws and regulations.
2. Taxpayers, other than the taxpayers mentioned in paragraph (1) of this article shall clarify in their tax declaration their net taxable income with a brief statement of their earnings and expenses for the tax period.

Article (21) Powers of the Assessor

1. The Tax declaration provided by the taxpayer shall be considered accepted in principle when received.
2. After verifying the declaration and its attachments, the assessor may either accept or reject it entirely or partially in the event that he/she has reasons relating to the correctness or lack of correctness of the data therein, and inform the taxpayer with a summoning note for discussion within a year from the date of delivering the tax declaration.
3. If the taxpayer agrees to the modification of the tax declaration, the assessor shall define the tax amount and inform the taxpayer by a written notice, this decision shall be non-challengeable or appealable and the tax shall be due.
4. In the event that the taxpayer doesn't agree to modify the tax declaration, or did not attend the discussion session, the assessor shall assess the taxpayer's income subject to tax and the tax due on him / her, and the decision of the assessor

may be challenged within (30) days from the day the taxpayer was informed of the assessment notification.

5. In the event that the taxpayer does not deliver the tax declaration and its attachments on time, the assessor may process the assessment based on prudence and awareness, and inform the taxpayer in a written notice that specifies the taxpayer's income subject to tax, and the tax and penalties due. The decision of the assessor may be challenged within (30) days from the day the taxpayer was informed of the assessment notification.

Article (22) Deadline for Requesting Tax Exemptions

1. Tax exemptions prescribed by law must be claimed by the taxpayer within (3) months of the end of the tax year. Otherwise, the exemptions expire and cannot be claimed for the relevant tax year.
2. If the taxpayer claimed the exemptions referred to in paragraph (1) of this article, the assessor shall revise the deductions and review them within a year of the claim date.

Article (23) Tax Verification and Revising the Taxpayers' Files

1. The taxpayer shall retain in the place of his/her business the financial records and documents organised according to the provisions of the laws and regulations in force for five years, subsequent to the tax period in which the tax has gained the status of peremptory.
2. The Director or any employee authorised by him in writing may enter any place where work is being managed, and examine the stored goods, cash, machinery, accounting records and documents, and he/she shall retain them for a period not exceeding a month if convinced that retention of them is necessary for the purposes of implementing the provisions of this Decree Law.
3. The Director and the staff of the Department authorised in writing, while performing their duties, shall be considered as judicial officers within the

limits of their competence and in the cases that require so.

4. The Director or any employee authorised by him in writing may request the necessary information and exchange the tax information needed to implement the provisions of this law with the financial and tax departments, or any department or other body in accordance with the provisions of law.

Article (24) Notification and Summons

1. Any notification or correspondence issued under the provisions of this Decree Law, shall be notified in one of the following means:
 - a. The taxpayer or his/her legally authorised representative shall be notified in person. Such notification will be deemed to have occurred from the next day after actual delivery. In the event that taxpayer or representative declines to receive the notice or refuses to sign the notice receipt, the informer shall note such refusal on the original copy of the notice or the receipt, and in this case, the notification is considered as valid.
 - b. By registered mail with the delivery acknowledgement to the taxpayer's last known residential address or place of business. The taxpayer will be considered as notified after a period not exceeding (10) days from the day after the date of mailing it, and every notification sent under this paragraph shall be considered as duly delivered to the addressee of the notice, in the event that this individual refuses to receive it.
2. If the taxpayer cannot be notified in accordance with the provisions of paragraph (1/a) of this Article, the Director shall notify him through publication in two local daily newspapers, and the publication shall be considered as a legal notification with its effects.
3. If the taxpayer has changed his/her address for receiving the notification or correspondence, and without informing the Department, then the notification to the fixed address at the Department will be considered correct.

Article (25) Accountability on Income from Long-term Contracts

1. For the purposes of the provisions of this Decree Law, the long-term contracts mean: contracts of construction, bidding, installation, and providing related services, which have not been implemented during the tax period within which he/she started the implementation of the contract.
2. Income and expense, for this purpose, shall be calculated in accordance with instructions issued by the Minister upon the recommendation of the Director.

Article (26) Re-assessment of Tax by the Minister or Person Authorised by him

1. The Minister or any employee he so authorises in writing may, within four years from the date of submitting the tax declaration in accordance with the provisions of this Decree Law, or within four years of the tax period that follows the year in which the assessment was made on the taxpayer, review the tax declaration or any of the actions taken by the assessor, provided that the taxpayer shall be given the opportunity for a hearing session and to introduce his defenses. The Minister or his authorised employee shall not issue a decision to adjust the tax, except in the following cases:
 - a. Correcting accounting errors.
 - b. Amending the exemptions prescribed in this Decree Law and any clearing or discount as prescribed herein.
2. The Minister or any employee authorised by him in writing may reconsider the assessment taken to account for the taxpayer income from any source if it was not part of the facts decided by the Court on the subject matter in an appeal submitted against the assessment.
3. The decision issued in accordance with the provisions of this article may be challenged before the Court within (30) days from the date the taxpayer received the assessment notification.

Article (27) Representing the Taxpayers

1. Any person may assign another person to represent him before the Department in

any of the income assessment procedures prescribed in this law. The conditions of representation shall be determined in accordance with instructions issued for this purpose.

2. The certified auditors and representatives of the taxpayers shall provide the Department with annual declaration of the names and addresses of their clients within a maximum period of three months from the beginning of the next fiscal year.

Article (28) Challenging the Assessment

1. A taxpayer whose tax liability was assessed in accordance with the provisions of Article (21) of this Decree Law and who is not satisfied with the adjustments or the assessment may object to this assessment in writing within (30) days from the date of receipt of the assessment notification. The taxpayer shall indicate in his objection the grounds for his objection and the amount of adjusted tax liability that the taxpayer accepts.
2. If the objection was submitted after the period specified in the preceding paragraph and the assessor was convinced that the objector was unable to submit his /her objection within the period mentioned as a result of not being present in Palestine or illness or any other reasonable cause that the assessor accepts, the assessor may extend that term for an additional period he/she deems appropriate.
3. When submitting a challenge to an assessment, the taxpayer shall pay the undisputed tax amount of tax liability for the relevant tax period(s) less any amounts already paid for that period.
4. The assessor shall invite the taxpayer to a session to review his/her challenge. The taxpayer may not introduce any new grounds during this session, and is limited to presenting evidence supporting the reasons previously stated in the written objection previously submitted. The tax assessor shall have the right to request documents relating to the declared income of the taxpayer. The assessor may interrogate any person believed to have information related to the challenged assessment, provided that the assessor

may not interrogate the taxpayer's employees without the approval of the taxpayer.

5. If the assessor accepts the taxpayer's arguments, or if both parties agree on the income assessment, the assessor shall amend the assessment accordingly, and the assessment shall be final and binding on both parties.
6. If the taxpayer did not attend the session for reviewing the objection or the assessor did not approve the assessment in accordance with the preceding paragraph, the assessor may endorse the objected assessment, reduce it, increase it or abolish it by a justified decision, and the decision issued under this paragraph is considered as appealable before the court during (30) days from the date of informing the taxpayer of the assessment notification.
7. In any case, the assessor shall inform the taxpayer in a written notice the result of his/her objection.

Article (29) Appeal and Cassation

1. A special court called (The Income Tax Appeal Court) is constituted within the cadre of the Judiciary Authority. The Court shall hold its session under the chairmanship of a judge whose rank is not less than a High Court judge and two judges whose rank is not less than a judge of court of appeal under the provisions of the Judicial Authority Act and the regulations issued pursuant thereto. The Court shall hold its sessions in the city of Jerusalem or in any other place it deems appropriate.
2. The provisions of the Civil and Commercial Procedure Law shall be applicable where this Decree Law and the regulations issued thereunder are silent.
3. The Court shall consider any appeal brought to challenge the assessment decisions or reconsider the assessment which may be appealed under the provisions of this law and the claims for any amounts to be deducted, paid or withheld as final tax or paid in lieu of tax.
4. Income Tax cases shall be given urgency and the trial held publicly unless the Court

- decides otherwise, and the person in whose favour the assessment decision or the re-assessment decision is issued shall be considered as respondent.
5. Any of the Jurists staff of the Ministry shall represent the Department, by a written authorisation by the Minister upon the recommendation of the Director to follow up the lawsuits in which the Department is a party, before the competent courts and he/she shall present the briefs, claims and defending those cases to the final litigation stages and recommending the Director to conduct settlement negotiations.
 6. The Court may approve the appealed decision of assessment, to reduce, increase or eliminate the tax and may return the case to the respondent for re-assessment according to the instructions the Court contemplates. If the Court decides to dismiss the appeal or a part of it, it may levy a penalty of ten percent (10%) of the portion that the appellant has not accepted of the assessment for each year during which the review of the lawsuit is continued before the Court, and for this purpose, any period exceeding six months shall be considered as a year.
 7. The appellant is required to take the following actions:
 - a. Pay a fee when filing the appeal for each appealed tax period at a rate equal to one percent (1%) of the difference between the amount of the assessed tax and the amount which is recognised by the taxpayer, but not less than (ILS 300) and not more than (ILS 600) for each tax period separately. Half of the fee is paid when renewing the appeal.
 - b. Indicate in his/her appeal brief the amount of the assessed tax he/she accepts and he/she shall submit to the Court a receipt for paying this sum which shall be annexed to the appeal brief. The appeal shall be denied in the event that did not pay the accepted amount in this regard.
 - c. Present evidence that the assessment is excessive. The appellant may not introduce any new evidence not already presented before the Court hearing.
 8. If any decision is issued under the provisions of Article (26) of this Decree Law, and the taxpayer has filed an appeal against the decision of the assessor concerning the same tax period or periods, the Court shall:
 - a. Revoke the appeal filed against the decision of the assessor.
 - b. Consider the appeal filed under the provisions of Article (26) of this Decree Law, and the appellant shall pay the difference between the fee resulted from the appeal of the decision of the authorised employee and the appeal filed against the decision of the assessor.
 9. The assessor shall notify the taxpayer in writing of the tax due according to the Court's decision.
 10. Each rule or decision issued by the Court shall be subject to appeal by cassation means within (30) days from the date of serving it or being notified in accordance with the regulation of the appeal and cassation of the Income Tax cases issued under the provisions of this Decree Law.
 11. The Director or any employee he/she authorises in writing may agree with the appellant or challenger to settle any disputed case by reconciliation before issuing the final verdict. The agreement to settle the dispute shall be approved by the Court.

Chapter VI: Procedures and Methods of Collecting Income Tax

Article (30) Paying Taxes

1. The Tax may be paid through an advance payment on the account of tax or deduction at source or payment attached with the tax declaration and immediate payment when settling the account and payment in instalments.
2. The taxpayer shall pay an amount in advance on the account of the due tax for every tax period. The dates of payment and incentives shall be determined

according to the instructions issued by the Minister upon the recommendation of the Director.

3. In the event that the amount of tax due is determined by the Department or by the Court, the tax shall be paid within (30) days from the date of notifying the taxpayer of the assessment notification or the Court's decision if any of them is being final.
4. Each liquidator of any company or a custodian of a legacy or a bankruptcy agent or any person responsible for any liquidation or settlement of any kind shall inform the Director in writing with the commencement of the liquidation or bankruptcy procedures, or any other action as appropriate for the purposes of calculating and determining the amounts payable to the Department. In the event of failure to comply with this requirement, each party shall be held directly and personally responsible for paying the tax due in accordance with the provisions of this Decree Law.
5. Subject to the provisions of Article (31) of this Decree Law, the person who is responsible to deduct the tax at source shall transfer it to the Department account within (30) days from the date of deduction.

Article (31) Tax Deduction at Source

1. The resident who is legally or commercially an agent, a branch, a partner of a non-resident or has a business relationship with him/her shall be responsible for taking all the necessary actions and procedures on behalf of his representative as set forth in this Decree Law, including withholding of tax and transferring it to the account of the Department.
2. A resident person who pays any amount to a non-resident person who is subject to tax under the provisions of this Decree Law, shall withhold tax at a rate of ten percent (10%) of the payment amount as a final tax, and transfer it to the account of the Department, with the exception of reinsurance premiums paid to insurance companies abroad. If the resident fails to withhold the required tax, it shall

be collected from him/her as he/she is responsible for paying it.

3. The employer or any person who is responsible for paying a salary, a wage, an allowance or a reward and the similar payments, shall withhold tax and transfer it to the Department pursuant to a detailed report within fifteen days of the date of payment.
4. The assessor may consider the amounts withheld in accordance with the provisions of paragraph (3) of this Article as presumptive taxes in the event that the taxpayer fails to submit a declaration and in the absence of other sources of income for this taxpayer. The assessor may re-consider within two years following the date of payment, if the assessor has evidence and statements contradicting what was presented in the tax statement, and withholding shall be according to tax rates, tax brackets and exemptions under the provisions of this Decree Law.
5. Every employer shall keep a special record containing the names of his/her employees, their salaries, wages, any other allowances, the exemptions due to them and the amendments hereto. The assessor may review the records to ensure compliance with the provisions of this Decree Law.
6. The assessor may request the employer to reduce or increase the tax to be withheld from the salaries and wages and other similar payments for the correction of any tax deduction. The employer shall respond to his request on liability basis.
7. Anyone who pays an amount to a person as a prize or lottery benefits, in kind or cash, shall withhold tax at the rate of ten percent (10%) of the value of these amounts. The withheld amounts shall be considered as final and presumptive tax, with the exception of companies, who will include the winnings in their income.
8. The income generated from depository interests, commissions and profits of investment of banks and financial companies that do not deal with interests and which are paid to any person by the banks and financial companies in the National Authority shall be subject to withholding tax at the rate of five

percent (5%), provided that these withheld amounts shall be considered as presumptive tax for the non-resident legal person and the natural person. The interest and profits from the deposits and commissions payable to the banks by other banks in the National Authority shall be exempted from the provisions of this paragraph.

9. Any person when paying any amounts as a liability or annuity, fees or wages, or other similar payments made to resident doctors, lawyers, engineers, auditors, experts and advisers, or representative of taxpayers and other self-employed, including the amounts paid for the sale, lease or granting the right to exploit any trade mark, design or patent, copyright, printing, or any other compensation shall withhold tax at a rate of five percent (5%), and prepare a statement indicating the amount of income and the amount withheld, and provide the Department with a copy of it and pay the amount withheld to the Department.
10. Each person who withheld amounts for the account of the Department or transferred them to it pursuant to the provisions of this Decree Law shall give a certificate of such amounts to the taxpayer from whom these amounts were withheld or deducted. The certificate shall be exempted from all duties, and he/she shall explain in this certificate the amounts he/she withheld, the date of withholding, and the date of transferring them to the account of the Department. The certificates issued by the withholding agent to the taxpayers account shall be considered as proof of payment of the tax, provided that its validity is limited to the actual amount paid and transferred to the account of the tax administration.
11. Any amount withheld from the source of the tax imposed on the income for the tax period in which the deduction took place or for any subsequent tax period shall be cleared.
12. If the employer or any responsible person fails to withhold or pay the tax as required under the provisions of this Decree Law, it shall be collected from him / her on the basis as if it is a tax due on him/her.

13. The Minister, upon the recommendation of the Director, shall issue the necessary instructions to implement the provisions of this article.

Article (32) Tax Instalment

The Director or anyone he/she authorises in writing, at the request of the taxpayer, may agree to accept the payment of the tax due in instalment in accordance with the instructions issued by the Minister with the recommendation of the Director.

Article (33) Collecting Tax

1. If the tax and the penalties are not paid in accordance with the provisions of this Decree Law within the specified period, the Department shall notify the taxpayer by a written notification for payment within the period of (30) days.
2. If the payment was not made within the period referred to in paragraph (1) of this Article, the Director or his authorised representative in writing may proceed with the application of the provisions of Collecting Public Funds Law in force, in this case he/she may exercise the full powers of the Governor and seize the taxpayer's funds wherever found based on a decision of the competent court.
3. The notification of warning served to the taxpayer in accordance with the provisions of paragraph (1) of this Article shall be considered as sufficient for the purposes of the Director or his authorised representative in writing to pursue the seizure procedures and the execution in accordance with the provisions of Collecting the Public Funds Law in force.
4. The Director may request the competent court to ban any taxpayer from leaving the country before settling his/her debts, or to provide a warranty or a guarantor for the payment of tax and penalties owed by him / her. The guarantor shall be held fully and jointly liable with the taxpayer to pay the tax and penalties.

Article (34) Director Authority to Impose Lump Sum Taxes

1. The Director or his representative authorised in writing may decide to

impose a Lump Sum Tax on any person, except for the public shareholding companies in the event that the tax liability for any year of the last five years does not exceed (ILS 10,000) for a period of not more than (5) years provided that the taxpayer shall be notified.

2. The Director or his representative authorised in writing may issue a decision to impose a Lump Sum Tax on a category or categories of persons, except for public shareholding companies.
3. The Director shall be entitled to revoke any of the decisions issued under the provisions of the paragraphs (1,2) of this Article, and such decision shall apply to tax periods subsequent to its issuance without prejudice to the provisions of Article (26) of this Decree Law.
4. Every person on whom the Lump Sum Tax was imposed under the provisions of this Article shall pay the amount of the Lump Sum Tax within (30) days from the end of each of the years that are subject to the tax.
5. Any person on whom the Lump Sum Tax was imposed under the provisions of this Article shall be entitled to submit a written objection to this assessment to the Department within (30) days from the date of notification, and the issued decision shall be, after considering the objection, subject to appeal before the Court.

Article (35) Refunds

1. The taxpayer shall be entitled to recover the amounts paid in excess of his/her tax liability by a written request submitted to the Department.
2. In the event that the request of the taxpayer to recover the increase is verified, the assessor shall send a letter stating the amount to be recovered within two months from the date of the claim. A copy of the letter shall be sent to the Minister of Finance, who shall decide to recover the mentioned amount within a period not exceeding two months from the date of receiving the letter.

Chapter VII: Fines and Penalties

Article (36) Fines

According to the provisions of this law:

1. If the tax or the amounts of tax to be paid were not paid on the dates specified for payment under the provisions of this law, a rate equivalent to two percent (2%) of the of tax amounts or the amounts mentioned for each month of delay from the date specified by law shall be added to the balance of the tax or those amounts. These amounts shall be collected in accordance with the provisions of this law and the regulations and instructions issued pursuant thereto.
2. The amount added to tax under the provisions of this article shall not be considered as a part of it.
3. A delay fine equivalent to three percent (3%) of the tax due for each month of delay up to a maximum amount not exceeding twenty percent (20%) of the tax due shall be imposed on each taxpayer who failed to submit a required tax declaration within the specified time under the provisions of this law, and in all cases the fine of delay shall not be less than (ILS 300) for the natural person and (ILS 3,000) of the legal person.
4. A delay fine at the rate of two percent (2%) of the amount of tax to be withheld for each month of delay shall be imposed on every taxpayer who failed to withhold tax under the provisions of this law within the specified time.

The Director or anyone authorised by him/her in writing may exempt any taxpayer from paying the fine or a part of it if he/she is convinced that the taxpayer delayed in paying or presenting the tax declaration for reasons beyond his control.

Article (37) Penalties

1. Without prejudice to any more severe penalty in another law, any person who evaded, attempted, abetted, agreed or helped others to commit any of the acts below shall be punished by imprisonment for not less than one month and not exceeding one year or a fine of not less

than (ILS 1,000) and not more than (ILS 10,000), or both penalties together:

- a. Submitting the annual tax declaration based on fabricated books, records, accounts or documents, or including data contrary to what is proved in such documents.
- b. Submitting an incorrect tax declaration by omission, decreasing or deleting any income or any part of it.
- c. Submitting an annual tax declaration on the basis of the lack of books, records, accounts or documents with the inclusion of data contrary to what is proved in such books, records, accounts or documents which he/she concealed from the tax officer.
- d. Destroying or hiding the books, records or documents before the expiry of the necessary period to maintain them in accordance with the laws and regulations in force.
- e. Inclusion of any false statement or fraudulent register or a statement submitted under the provisions of this Decree Law.
- f. Distributing profits to a fictitious partner or partners in order to reduce his/her share of profits.
- g. Inventing or altering the purchase or sale invoices or other documents in order to reduce profits or increase losses.
- h. Concealing one or more activities which are subject to tax.
- i. Refraining from providing the information requested from him/her or submitting or providing false information or data that would affect his/her responsibility or the responsibility of any other person for paying the tax or assessing its amount.
- j. Providing a false response to any question or request directed to him/her for information or data required by this Decree Law.
- k. Failure to register his/her activity with the Department in accordance with

the provisions of this Decree Law.

- l. Failure to withhold tax or withholding it and not transferring it to the account of the Department.
 - m. Forging any form, voucher or document issued by the Department.
2. The Director or his representative authorised in writing may request the necessary information to implement the provisions of this Decree Law from any person subject to the application of the penalties stated in paragraph (1) of this Article on each person who refrains from giving such information.
 3. In all cases, the perpetrator of any of the acts mentioned in paragraph (1) shall be obliged to pay a penalty in an amount equal to twice the amount of the tax evaded.
 4. The auditor and certified auditor shall bear the responsibility for issuing the financial statements or the endorsement of the financial statements that do not materially match the reality or violate the provisions of this law or the international accounting standards and the laws and regulations in force, whether that resulted from an intentional fault or any criminal act or gross negligence, and in this case the auditor and certified auditor shall be considered to have committed an offense punishable by the penalty stated in paragraph (1) of this Article.
 5. The Director may reconcile any act committed contrary to the provisions of this Article and he/she may suspend any taken action pre-judgment, and reconcile it according to the amounts specified by him/her.
 6. Imposing the penalties referred to in this Article shall not exempt the penalised person from the responsibility for paying the tax.

Article (38) Exemption from Taxes and Fines

The Council of Ministers upon the recommendation of the Minister, may exempt any taxpayer from all or part of the taxes due and from all or part of the fines stated in this Law, in any of the following cases:

1. If the taxpayer is deceased with no legacy or leaving a legacy that was heavily indebted.
 2. If he/she is declared bankrupt or it was proved that he/she is unable to pay his/her debts or no funds that can be executed against.
 3. If the taxpayer suspended his/her activity and had money that could be executed against and covers all or part of the due taxes, an amount of money equivalent to the personal and family exemptions stipulated in accordance with the provisions of this Decree Law annually shall be left to the taxpayer or his/her heirs after the execution.
2. Notwithstanding the provisions of any other legislation, no exemption from income tax may be granted retroactively to any person after the provisions of this Decree Law enter into force.

Article (42) The Department

Article (39) Prevention of Contacting the Department

1. The Minister upon the recommendation of the Director may prevent any auditor or a representative of the taxpayer from referring to the Department in any case or work other than his/her personal case if it is proved that during his /her visits and dealings with the Department he/she committed any action in violation of this Decree Law, regulations and instructions issued pursuant thereto.
2. The Director may decide not to accept the accounts prepared or audited by a certified auditor who committed an act contrary to the provisions of this Decree Law for the period he/she deems appropriate.

1. The Department shall be committed to implement the provisions of this Decree Law. The Department shall report directly to the Minister and shall be headed by a Director General.

2. The Director shall exercise the following powers:

- a. Director may form one or more committees to review and consider the tax files of taxpayers and issues decisions accordingly at any phase of the assessment, and the decision issued by the committee shall be considered as a decision issued by the assessor under the provisions of this law.
- b. The decisions of assessment and the decision of reassessment shall be subject to auditing directly by him/her or by a member of the Department authorised by the Director in writing. The assessment decisions that are subject to auditing shall not be legal or binding before authorising them in this manner and any notification related to such decisions shall be void.
- c. Decides on any matter or issue arising from the auditing procedures.
- d. Prepares forms, statements, notices and any other forms he/she deems necessary for the implementation of the provisions of this Decree Law and any regulation issued pursuant thereto, and modifying or revoking it.
- e. Prepares the instructions which shall be issued by the Minister in accordance with the provisions of this Decree Law.

Chapter VIII: Final Provisions

Article (40) The Status of Tax Debt

All taxes due under the provisions of this Decree Law shall be considered as preferential debts over the funds of the debtors or their heirs, who shall be committed to transfer them to the Department in accordance with the provisions of this Decree Law.

Article (41) Preferential Tax Treatment

1. Persons who enjoy preferential tax treatment under the provisions of any legislation in force before the provisions of this law enter into force shall continue to

Article (43) The Employees' Duties

In addition to the provisions of Law of Civil Service, the Department employees shall be committed to provide a written declaration to the Department listing their movable and immovable properties, or any changes occurred on their financial status and their spouses and their children who are under their custody, and this shall be provided upon appointment and periodically at the beginning of each year subject to the penalties stated by the Law of Civil Service.

Article (44) Confidentiality of Information

1. Anyone who reviewed the documents, information, statements and the assessment decisions which are prepared in accordance with the provisions of this Decree Law shall maintain their confidentiality and refrain from disclosing them to any other party.
2. The appointed person under this Decree Law or who implements its provisions shall not be ordered to present any document, statement, assessment decision or copies of any of them before any court other than the Court of Appeal of the Income Tax Cases, or to disclose before any court any information or data which he/she had reviewed during the course of carrying out his/her duties under this Decree Law except what is necessary for the implementation of its provisions or to pursue any offense concerning Income Tax.
3. Any employee found to possess documents, information or statements or assessment reports concerning the income or items of income of any of the taxpayers and has revealed or attempted to reveal this information or contents other to the taxpayer or for his/her benefit contrary to the provisions of this law shall be subject to imprisonment for a term not exceeding one year or a fine not less than (ILS 40,000) and combine both penalties together.
4. The employee who terminated his/her service in the Department shall not refer to the Department for a period of one year from the date of his/her service termination in any business or issue other than for his/her own.

5. The designated employee shall submit and sign a declaration to preserve official secrets in accordance with the formula established by the Director.

Article (45) Issuance of Regulations

1. The Council of Ministries shall issue the necessary regulations for the implementation of the provisions of this Decree Law, including the promotion regulation of the Department's employees, the regulation of the procedures followed before courts in the legal cases filed under the provisions of this Decree Law, including the provisions concerning the payment of fees, dates of appeal and its levels, procedures, the contents of the plea, the person entitled to institute a lawsuit and all the provisions and procedures necessary to proceed.
2. Without derogation to the provisions of this Decree Law, the regulations and instructions in force under the provisions of Law No. (17) of 2004 and its amendments shall remain in force, until the issuance of instructions and regulations set forth under the provisions of this Decree Law.

Article (46) Enforcement of this Law

The Income Tax shall be imposed and collected on income received in the year 2011 and onward in accordance with the provisions of this Decree Law.

Article (47) Repealing

1. The Law No. 17 of 2004 on Income Tax, and its amendments shall be repealed after the provisions of this Decree Law enter into force.
2. All that contradicts the provisions of this Decree Law shall be repealed.

Article (48) Presentation to the Legislative Council

This Decree Law shall be presented to the Legislative Council in the first session it holds for adoption.

Article (49) Entry into Force

All the competent authorities shall implement this Decree Law, each in the sphere of its jurisdiction, and it shall enter into effect as of the date of its publication in the Official Gazette.

Promulgated in the city of Ramallah on September 26th, 2011 *Anno Domini*, corresponding to Shawwal 27th, 1432 *Anno Hegira*

Mahmoud Abbas

President of the State of Palestine

Chairman of the Executive Committee of the Palestine Liberation Organisation

President of the Palestinian National Authority

2. Executive Decisions:

Decision of the Council of Ministers No. 79 of 2004 on the Establishment of the Pension Committee of Members of the Palestine Liberation Organisation

The Council of Ministers,

Having reviewed the Amended Basic Law, and

Based upon the Decision No. 6/30, which the Council of Ministers approved in its session which convened in the city of Ramallah under the presidency of His Excellency President Yasser Arafat on July 12th, 2004,

Hereby promulgates the following Decision:

provisions of this Decision, which shall enter into force as of the date of its publishing in the Official Gazette.

Promulgated in the city of Ramallah on July 5th, 2004 *Anno Domini*, corresponding to Jumada al Ula 17th, 1425 *Anno Hegira*.

Ahmed Qurei'

Chairman of the Council of Ministers

Article (1)

1. An ad hoc committee shall be established to examine and calculate the years of service for the purposes of the pension of members of the Palestine Liberation Organisation and the other Palestinian factions, with the membership of the:
 - a. General Personnel Council as a Rapporteur;
 - b. Ministry of Finance;
 - c. Ministry of Detainees and Released Detainees;
 - d. Organisation and Management Foundation;
 - e. Palestinian National Fund; and
 - f. Fatah Movement.
2. Representatives of the other Palestinian factions shall join membership of the Committee when the years of service of relevant members are examined.

Article (2)

All competent authorities, each within the sphere of its jurisdiction, shall implement the

Decision of the Council of Ministers No. 45 of 2005 on the Bylaw No. 4 of 1998 of the Law of Civil Service, Amended by Law No. 4 of 2005³

The Council of Ministers,

Having reviewed Law No. 4 of 1998 on the promulgation of the Law of Civil Service, and Article (108) thereof in particular;

Having reviewed Law No. 4/2005 on the amendment of Law No. 4/1998 on the promulgation of the Law of Civil Service;

Based upon the proposition of the Chairman of the General Personnel Council has presented; and

Based upon what the Council of Ministers has approved during its session held on August 15th, 2005 A.D.,

Has decided the following:

PART ONE

Chapter I: Definitions

Article (1)

The following words and expressions mentioned in this Bylaw shall have the meanings ascribed thereto hereunder unless the context requires otherwise:

³ This Bylaw has been amended on three occasions. For further information, see the Decision of the Council of Ministers No. 47 of 2005 on Development of Bylaws of the Law Amending the Law of Civil Service; Decision of the Council of Ministers No. 104 of 2006 on the Amendment of Some Provisions of the Bylaw of the Law of Civil Service No. 4 of 1998; and Decision of the Council of Ministers No. 15 of 2008 on the Bylaw Amending the Bylaw of the Law of Civil Service No. 4 of 1998 Amended by the Law No. 5 of 2005.

Government Department: Any Ministry, administration, public institution, authority or any other entity whose budget is part of the public budget of the Palestinian National Authority or is annexed thereto. This shall not include employees of the security and policy forces.

Head of Government Department: The Minister or head of any administration, public institution, authority or any other entity whose budget is part of the public budget of the Palestinian National Authority or is annexed thereto.

The Council: The General Personnel Council.

The Relevant Medical Committee: The Minister of Health shall issue forth a decision on the establishment thereof and define the duties and capacities thereof in conformity with the Law of Civil Service.

The Unit of Personnel Affairs: The department which is responsible for following up on the affairs of the personnel at the government department.

Chapter II: General Principles

Article (2)

The government department which wishes to consult the Department of Fatwa and Legislation in regard of any affair pertaining to the civil service must write an elaborate statement thereon to the Council.

Article (3)

1. The Unit of Personnel Affairs must inform the employee about the administrative decisions in which he or she is a party.
2. The administrative decisions and publications which need to be disseminated shall be posted on the notice board of the government department. The employee must implement such decisions. A decision shall be issued forth by the Council to define the decisions and publications which shall be published and posted on the notice board, as well as the period of time in which they shall remain e posted and the guarantees which ensure that all relevant employees are certainly aware thereof.

Article (4)

1. The official working hours of the employees at government departments shall be thirty nine hours a week.
2. The weekly working hours of the employees at educational institutions of various levels shall be in accordance with what these institutions define in coordination with the Council.
3. The working hours at the government departments during the holy month of Ramadan shall be thirty working hours a week.

Article (5)

1. The head of the government department shall assign any of the employees at the department to be responsible for: the employees' daily attendance sheet, the record of the employees' movements

during daily working hours, and the monthly register of the employees' attendance and absence in accordance with the forms prepared by the Council. Such forms shall be referred at the end of each Calendar month to the Unit of Personnel Affairs at the department. The monthly register shall be sent to the Council during the first fifth days of each month.

2. The employee must demonstrate: his or her attendance at work, leaves from work and departure during the working hours on the designated forms. The following shall be exempted from signing the registers mentioned under Paragraph (1) above: employees of the special category; those occupying the position of Deputy Minister, among employees of the higher category and legal consultants, for whom a decision is issued by the relevant head of government department in coordination with the Council.

Article (6)

Working days at government departments shall be six days a week. The holiday will be on Friday, with the exception of those days which shall be excluded by special Laws or decisions.

Article (7)

1. The followings feasts and occasions shall be official holidays at government departments:
 - Eid Al Fitr *Waqfah* (the day preceding the Eid) and three days
 - Eid Al Adha *Waqfah* (the day preceding the Eid) and four days
 - *Hegira* New Year One day
 - Anniversary of Prophet Mohammed's Birth One day

- The Anniversary of the *Isra' and Mi'raj* (The night of Prophet Mohammed's ascension to the seven heavens) One day
 - Independence Day One day
 - New Year's Day One day
 - World Labour Day One day
 - Eastern Christmas One day
 - Western Christmas One day
2. The following feasts and occasions shall be official holidays for Christian employees at government departments:

a) Feasts of Eastern Christians

- Christmas Two days
- New Year's Day One day
- Epiphany One day
- Baptism Day One day
- Palm Sunday One day
- Good Friday One day
- Holy Saturday One day
- Easter Two days
- Holy Thursday One day
- Pentecost One day

B) Feasts of Western Christians

- Christmas Two days
- New Year's Day One day
- Epiphany One day
- Palm Sunday One day
- Good Friday One day
- Holy Saturday One day

- Easter Two days
- Baptism Day One day
- Holy Thursday One day
- Pentecost One day

3. The feasts of the Samaritan Community shall be official holidays for employees belonging to such community.
4. Based upon the decision of the Council of Ministers concerning the specification of the dates of feasts and official holidays, the Council shall issue forth periodical letters of such dates and disseminate them to the government departments.

Article (8)

1. The heads of government departments shall submit a proposal of the value of the increments for: the nature of work, specialisation, scarcity, risk, and other increments, the persons entitled thereto, as well as define the standards and criteria for disbursement thereof.
2. The Council shall be responsible for preparing a draft of the decisions which define the value of increments: the nature of work, specialisation, scarcity, risk, or any other increments, the persons entitled thereto, as well as set forth the standards and criteria for disbursement thereof in coordination with the Ministry of Finance. The Council shall also submit the same to the Council of Ministers for approval.

Article (9)

1. The head of the government department shall submit to the Council: the organisational structure of his or her department, its divisions, and the capacities of each and any modifications made to them for examination. The Council shall express its opinion in their regard and refer the same to the Council of Ministers.
2. The Council of Ministers shall issue forth a decision to approve: the organisational structures, divisions, and capacities of each department. It shall also provide the relevant government department and the Council and the Ministry of Finance with a

copy thereof and the modifications made thereto.

Article (10)

1. The head of the government department shall present a regulation on the functions of his or her department, accompanied by a description of each function. He or she shall also define in the regulation: its duties, responsibilities, conditions of its occupation, classification and any modification made to it to the Council for examination. The Council shall express its opinion in their regard and refer the same to the Council of Minister.
2. The Council of Ministers shall issue forth a decision to approve such regulations. The government departments and the Council and the Ministry of Finance shall be provided with a copy thereof along with the modifications made to them.

Article (11)

The Chairperson of the Council shall issue forth decisions concerning the standards necessary for the classification of functions and the provisions which are required for enforcement thereof. The minimum limit of expertise required for the occupation of the function shall be included within the decisions.

Article (12)

1. The government department shall submit to the Ministry of Finance and the Council a list of its annual functional requirements stated in its relevant regulation (its established functions) no later than the month of October each year.
2. In liaison with the Council and the concerned government department, the Ministry of Finance shall examine the annual functional requirements of the government department which are mentioned in its approved list of functions based on the financial resources. It shall also allocate the appropriations for the added positions which it approves and include within the public budget.
3. Upon coordination with the Ministry of Finance, the Council shall prepare a list of the compositions of functions for all government departments upon the

approval of the budget within a period of not less than 3 months. It shall define therein: the titles of functions, their grades, and the numbers of employees therein during the past year and present year, along with a statement of the reasons of change for the past year. It shall further submit it to the Council of Ministers for approval.

Chapter III: The General Personnel Council

Article (13)

For the achievement of its duties and responsibilities, the Council may perform the following:

1. Set forth the regulations pertaining to the control and surveillance of all that is related to the affairs of employees at the government departments to ensure correct and competent performance of the employees and enforce all the pieces of legislation pertaining to the civil service in a correct and efficient manner.
2. Request or view any: files, data, statistics, or papers relating to the employees' affairs or obtain a copy thereof from the government departments.
3. Prepare a functional card for each employee including his or her: name, functional number, title of function, his or her category, the date of his or her appointment, his or her promotions, the department in which he or she works and any modifications made thereto. This information shall be maintained and approved as a basis to issue the employee's card.

Article (14)

The government department shall notify the Council of all the decisions, instructions, and information pertaining to the affairs of employees thereat and which are related to each employee, in addition to any data, information or statistics related to the employees and any other data requested by the Council, within a period of time not exceeding one week from the date of issuance or request thereof.

PART TWO

Chapter I: Appointments

Article (15)

An employee may only be appointed in a vacant function stated in the list of the composition of functions.

Article (16)

The Unit of Personnel Affairs at each government department shall prepare lists of the vacant functions, budgeted for in the general budget. It shall also define the functions to be occupied and the recruitment rationale based on the work needs, and shall submit the same to the Council at the commencement of each financial year. Priority in the occupation of functions shall be given to the employees exceeding the need of the government departments.

Article (17)

1. The government department shall advertise the vacant functions, in which appointment takes place by means of an advertisement, within two weeks from their becoming vacant in at least two widespread daily newspapers and shall notify the Council thereof. In the event functions are required for a number of government departments, the Council may advertise in one single advertisement the need for such functions in coordination with the concerned government departments. Advertisement shall be in two widespread newspapers.
2. The advertisement of the vacant functions must include the following information:
 - a. The title and description of the function, the conditions of its occupation, as well as its category and grade.
 - b. The entity to which applications must be submitted using the designated form, the documents which must be submitted, in addition to the date and place of their submission.
 - c. A statement of whether the appointment is conducted with or without a test. In case the

appointment requires a test, it must define the type, date, and place of the test.

3. The test may either be written or practical or held through personal interviews, or both.

Article (18)

The applicant to a vacant function must enclose with his or her application the following documents:

1. A copy of the official birth certificate. If not available, a copy of the medical committee's decision to estimate the age.
2. A copy of the academic certificates which he or she holds.
3. A copy of the certificates of practical experience.
4. A copy of the identification card or passport.
5. A document stating the unavailability of criminal precedents.
6. A personal photograph.
7. A declaration of his or her curriculum vitae using the designated form.

Article (19)

1. The appointment application forms and their attachments shall be registered with serial numbers according to the date on which the application has been submitted. The applicant shall be given a notification, including: the name of the applicant, date of submitting the application, its number, number of contest and the function to which he or she has applied.
2. Following the expiration of the period allotted for receiving applications, the register shall be closed and approved by the employee in charge of the Unit of Personnel Affairs.

Article (20)

1. In coordination with the relevant government department, the Chairman of the Council shall issue a decision to form the Selection Committee from among representatives of the Council and the relevant government department using

the designated form and define thereon the duties, place, time and duration of the function of the committee.

2. The grade of the head of the committee and the representatives must not be less than the grade of the advertised vacant function.
3. The committee shall be entitled to hire specialised persons in the professional field of the function to be occupied.
4. The Selection Committee shall examine all the applications and documents submitted by candidates to be appointed and verify at the government department all that is required to complete the selection process.
5. The Selection Committee shall convene in case quorum by the attendance of all of its members and shall take its decisions by majority vote. In case of a tie, the opinion of the side where the head is shall be decisive. Results shall be submitted to the Chairman of the Council using the designated form. The government department shall be notified thereof.

Article (21)

The Selection Committee shall perform the following:

1. Study and examine the applications and the extent to which they conform to the conditions required for the advertised function and notify the Council thereof.
2. Hold tests in coordination with the Council and relevant government departments.
3. Announce the names of persons admitted to take part in the contests of appointment in two widespread daily newspapers for two consecutive days two weeks prior to the date of the contest, provided that the announcement includes: the full name of the employee, required function and the date and time for holding the contest.

Article (22)

The General Personnel Council shall perform the following:

1. Define the functions in coordination with the concerned government departments

which require oral or written contests or a combination thereof in liaison with the government department.

2. Advertise the procedures of written contests (in the functions the occupation of which requires the conduct of written and oral contests) in coordination with the government department. Only the persons who pass the written test shall be called to take the oral contest.
3. Post the result of the tests and the sequence of the successful persons along with their grades on the notice board of the relevant government department and the Council.
4. The Council or government department shall keep the test papers as the case may be. Members of the Selection Committee shall sign these papers.

Article (23)

In accordance with the sequence of their precedence forwarded by the Selection Committee, the Council shall prepare a list of the candidates to be appointed and notify the government department thereof. The sequence shall be according to the candidates attaining higher grades in the test. If equal, the sequence shall be according to the candidates with the higher qualifications, of earlier graduation, and then based on age seniority. Appointment shall take place in accordance with the order stated in the lists.

Article (24)

The waiting list of candidates to be appointed shall not be prepared except upon the announcement of the occupation of the function based on a test, without the appointment of the full announced number. The list shall be valid within the limits of the remaining number only. It shall be cancelled as such number becomes complete or after one year from the date of the announcement of the result.

Article (25)

The relevant government department shall receive from the candidate to be appointed the following documentary papers, which shall be sent to the Council:

1. The original copy of the official birth certificate, or a certificate estimating the age from the relevant authority.
2. The original copies of the academic certificates which he or she holds or a certified copy thereof from the relevant authority.
3. The original certificates of practical experience.
4. The criminal record, in order to prove an unprecedented conviction that prohibits appointment.
5. Four recent personal photographs.
6. An account number at an accredited bank.

Article (26)

The candidate for appointment shall fill in the following acknowledgements on the designated forms, which shall be sent to the Council:

1. An acknowledgement not to reveal the matters which he or she becomes aware by virtue of his or her function.
2. An acknowledgement of dedication to the governmental work.
3. An acknowledgement of the marital status.
4. An acknowledgement of having not been dismissed from service by a decision or a disciplinary judgement issued less than five years ago.

Article (27)

1. The Council shall notify the relevant government department to direct the candidate for appointment thereat to the Ministry of Health to conduct the medical examination by the Local Medical Committee, in order to define the extent of his or her physical fitness to work in the function for which he or she is nominated.
2. The Council shall prepare the medical examination form using the designated form. The photograph of the candidate shall be affixed thereon. The type of the function for which he or she is nominated shall be recorded in the form, which shall be sent to the relevant Medical Committee.

3. The decision of the relevant Medical Committee shall be recorded in the designated form of the relevant medical examination. Members of the committee shall register their names therein and sign the form.

Article (28)

The Council shall notify the candidate for appointment, through the concerned government department, of the appointment approval and commencement of work.

Article (29)

Following his or her commencement of work, the employee shall fill in a declaration of his or her commencement of work using the designated form in two copies. His or her direct manager and the head of the relevant government department shall sign the declaration. One copy shall be sent to the Council and the other kept in his or her sub-file at the government department.

Article (30)

In the event the candidate for appointment does not commence work within one month from his or her being notified in writing by the Council through his or her government department, the procedures of his or her appointment shall be deemed cancelled. In such case, the person following him or her in order shall be appointed if the appointment has been conducted through a contest.

Article (31)

The Council shall notify the employee through his or her government department of his or her appointment. A copy of such notification shall be sent to the Ministry of Finance. The notification must include the following:

The full name of the employee; number of the personal identification card or passport; functional number; title of his or her function and its number on the List of the Composition of Functions; his or her functional category; his or her grade; type of appointment (permanent or temporary); increment of the nature of work; administrative increment; other increments; his or her marital status; date of the commencement of appointment; the academic certificate which he or she holds; date of birth; the government department

and unit in which he or she is assigned to work; name of the bank; and the bank account number of the employee.

Article (32)

The entity responsible for appointment shall issue forth the decision of appointment as of the date of the employee's commencement of work using the designated form. It shall be notified to: the relevant government department; the Council; the Ministry of Finance; the Palestinian Commission of Retirement; and the Ministry of Health – Health Insurance. The decision of appointment shall include the data related to the notification of the appointment of the employee, which is issued by the Council.

Article (33)

1. In case an employee is appointed on a temporary basis in place of an employee who is seconded or on an unpaid leave, his or her service shall immediately be terminated upon the return of the employee, who is seconded or on an unpaid leave, to his or her work.
2. The employee (who is appointed in place of the employee who is seconded or on an unpaid leave) shall submit a pledge in which he or she adheres to leave the work immediately upon the return of the employee, who is seconded or on an unpaid leave, to his or her work.

Article (34)

Upon each new appointment, all government departments must take into consideration the necessity to complete the 5 per cent which is allocated for the employment of the physically disabled. The Council shall retain the 5 per cent of the numbers and titles of the function which it advertises for the appointment of the physically disabled.

Article (35)

1. The Council shall prepare a file for each employee in which it keeps: the certificates, documents, deeds, and information pertaining to his or her function. The remarks pertaining to his or her work and the reports on the efficiency of performance which are submitted

about him or her shall also be kept in the file.

2. The government department shall prepare a sub-file for each employee in which it keeps: the certificates, documents, deeds, and information pertaining to his or her function.
3. The remarks pertaining to him or her as well as all that demonstrates his or her earnestness, including the grievances and notices submitted against the employee following investigation thereof and hearing of his or her statements.
4. The papers of the file must be numbered. The number of each page and its content must be recorded on its cover. No paper may be removed from the file after it is placed therein.

Chapter II: The Probation period

Article (36)

1. The Unit of Personnel Affairs at the government department shall prepare a record for the registration of the employees who are appointed under probation, in which it shall state the start and end of the probation period.
2. The direct manager shall prepare monthly reports, using the designated form, about the employee during the probation period, which shall be presented to the relevant head of government department.
3. One month prior to the expiration of the probation period, the direct manager shall set forth a final report based on the previous reports, on the designated form, and in which he or she shall specify the extent to which the employee is appropriate for the function in which he or she is appointed and submit it to the head of the government department.
4. The performance of the employee during the probation period shall be measured on the basis of: his or her efficiency, personal conduct, fulfilment of duties, attendance to work, personal attributes, the manner by which he or she performs work, and his or her productivity thereat.

Article (37)

The work of the employee under probation may not be terminated unless he or she completes the probation period and is proved to have not passed it, unless he or she commits a disciplinary contravention punished by the termination of service.

Article (38)

In order to prove the suitability of the employee, he or she shall successfully pass the training programme decided by the government department at which he or she works during the probation period.

Article (39)

1. In the event the employee does not successfully pass the probation period, the relevant government department shall thus notify the Council in writing within the first half of the last month of probation period.
2. The head of the government department shall notify the employee under probation in writing of the termination of his or her work two weeks prior to the expiration of the probation period and shall notify the Council and the Ministry of Finance thereof.

Article (40)

The head of the government department shall issue forth a decision pertaining to the tenure of the employee, who has successfully passed the probation period, using the designated form, and shall thus notify the Council and the Ministry of Finance.

Chapter III: Appraisal of Performance

Article (41)

The direct manager shall prepare the annual report on the appraisal of the efficiency of his or her employees on the designated form, which shall be approved by the relevant head of government department. In the report, the head of government department shall record the efficiency of the employee, his or her conduct and activity. The employee's efficiency shall be appraised in accordance with the grades recorded on the form. In the

appraisal of the performance of the employee, the performance of his or her duties shall be taken into account based on the levels anticipated from the vacancy of the function in terms of quantity and quality. The method of performing his or her work shall be appraised in regard of attendance, personal conduct, and personal attributes based on which he or she exercises his or her powers and takes decisions.

Article (42)

The direct managers of those occupying higher functions shall submit annual data regarding the leadership technical and administrative aspects in the beginning of their functions. Such data shall be presented to the head of the government department for approval.

Article (43)

The head of the government department shall form committees to verify the annual reports on the appraisal of the performance efficiency. The committees shall consist of the senior employees at the government department with at least one of them in the same function of the employee. Following examination, the reports shall be approved by the head of the government department.

Article (44)

The appraisal of excellent or weak efficiency shall justify and define the elements of the excellence and weakness, and retrieved from the employee's service file based on the following criteria:

1. The elements of excellence are the outstanding works which achieve the goals; exceed the specified performance averages; the contributions which lead to the development of the work systems and improvement of its performance; the functional conducts with the managers, subordinates and the public; the regularity of attendance at work; the use of the right to leaves; and non-imposition of any disciplinary penalties.
2. The elements of weakness are the works which do not reach the level of average performance in accordance with the established performance averages; the remarks by the managers or complaints

by colleagues, subordinates or the public which are proved against the employee; the misuse of the work tools and material capacities of the units; and the disciplinary penalties imposed upon him or her.

Article (45)

The efficiency of the employee of the categories below may not be appraised with the appraisal mark excellent:

1. The employee for whom the opportunity of training has been provided but does not successfully complete it.
2. The employee upon whom a disciplinary penalty is imposed by deduction from his or her salary for a period exceeding five days.

Article (46)

1. The Unit of Personnel Affairs shall forward to the employee a copy of the general report on his or her performance efficiency after it is approved by the competent entity and within one week after of the signing thereof by the head of the government department.
2. The employee may file a grievance against the general report on his or her performance efficiency on the designated form, within twenty days from the date on which he or she is informed thereof.

Article (47)

1. The relevant head of government department shall form a Committee of Grievances, comprising three senior employees from among those who did not take part in developing the report, in order to adjudicate the grievance.
2. The decision pertaining to the formation of the Committee of Grievances shall define the procedures of its work and the place and time of its convention.
3. The head and members of the Committee of Grievances shall be at a higher grade than that of the employee filing the grievance.
4. The meeting of the committee shall convene in case quorum by the attendance of all of its members. The

committee shall also take its decisions by majority vote.

5. The committee shall examine the file of the employee, may hear him or her and discuss his or her grievance with him or her, and hear the direct managers of the employee.
6. The efficiency performance report shall not be deemed final, except following the expiration of the date of grievance or adjudication thereof.

Article (48)

The head of the concerned government department shall perform the following:

1. Draw the attention of the employee who obtained an appraised with the appraisal mark medium to the aspects of his or her nonfeasance and request that he or she improve his or her performance. The head of department shall notify the Council thereof.
2. Warn the employee who obtained an appraised with the appraisal mark weak and request that he or she improve his or her performance, and notify the Council thereof.
3. The head of the government department may suspend the regular increment of the employee in the event an annual report is received about the employee with the appraisal mark weak until he or she improves his or her functional performance. The head of government department shall notify the Council to suspend it starting from the date on which it is due until he or she obtains an appraised with the appraisal mark medium or above. The Ministry of Finance shall thus be notified.

Article (49)

1. The relevant government department, from which the employee is delegated, shall set forth the annual report on the appraisal of efficiency of the employee after consulting the government department or entity to which he or she is delegated in writing.
2. For the preparation of the report on the efficiency of the employee's performance,

the employee must have worked de facto at the government department for a period of not less than ninety consecutive days within the year.

Article (50)

1. In coordination with the Council, the head of the government department shall form a committee to examine the status of the employee, who has received two consecutive annual reports with the appraisal mark weak or obtained a third report with the appraisal mark weak. The decision shall define the work procedures of the committee as well as the place and time of its convention, provided that the person who prepares the appraisal of the employee is not from among the members of the committee.
2. The committee shall examine the employee's file and may hear and discuss it, as well as hear those whom it deems to hear them. The meeting of the committee shall convene in case quorum by the attendance of all of its members. The committee shall take its decisions by majority vote. In case of a tie, the opinion of the side where the head is shall be decisive. The committee's decisions shall also be final and the Council shall be notified thereof. The Council shall in turn inform the Ministry of Finance.
3. The committee may impose on the employee, who has received two consecutive annual reports with the appraisal mark weak, one or more of the following penalties:
 - a. Suspend the annual regular increment.
 - b. Reduction of the grade.
 - c. Demotion of the function.
4. In case a third report with the appraisal mark weak is submitted about the employee, the ad hoc committee must consider his or her dismissal from the civil service.

Article (51)

The employee who was appraised with the appraisal mark excellent in the reports of efficiency shall be granted a Certificate

of Appreciation from the relevant head of government department. His or her name shall also be announced on the designated notice boards at the relevant government department and the Council, as well as in each department of the employee. The announcement may not be removed except following the lapse of fifteen days.

Chapter IV: Promotions

Article (52)

No employee may be promoted except to a vacant grade in accordance with the established List of the Composition of Functions, provided that the employee spends the minimum years stipulated for the tenure for the grade.

Article (53)

1. The Unit of Personnel Affairs shall prepare lists for the registration of the employees' names. They shall be sorted based on their categories and seniority in each grade. The Unit of Personnel Affairs at the government department must conduct the necessary modifications on each list immediately after they take place. Such lists must include the following:
 - a. Name, date of birth, nationality, academic qualification, date of receiving the qualification, experience, and date of joining the service.
 - b. Date of appointment in the function from which he or she is promoted.
 - c. Functional category of the employee, his or her current grade and date of receiving it.
 - d. Date of transference in case it is to be taken into account upon promotion.
 - e. Penalties, for which a decision is not issued forth to revoke, and the date on which they were imposed along with the grievances lodged against the employee, which require taking disciplinary or penal measures.
 - f. The training programmes which the employee had the opportunity to attend.

- g. Any other necessary information.
2. The Unit of Personnel Affairs at the government department shall prepare a personal information card for each employee on the designated form. In the card, the following shall be recorded: his or her function, category, grade, any other necessary information, and any changes made thereto.

Article (54)

1. The Unit of Personnel Affairs at each government department shall prepare lists of the vacant grades in accordance with the approved budget and the established List of the Composition of Functions in each functional category.
2. The Unit of Personnel Affairs must present the lists which include the data mentioned above and the applications of promotions using the designated form to the entity responsible for the promotion, each time a promotion of an employee is presented thereto or upon the request of such entity.

Article (55)

The entity responsible for the appointment shall issue forth a decision of the promotion using the designated form. It shall be sent to the Council for review and the Ministry of Finance shall be notified thereof. The Council may request that its execution be suspended in the event it contravenes the Law and this Bylaw.

Article (56)

Upon prior coordination with the Council, the head of the government department shall issue forth a decision concerning the occupation of a vacant position on the organisational structure and the List of the Composition of Functions after preparing an internal announcement and a contest to occupy such function, subject to the conditions of transference from one functional category to another.

PART THREE

Chapter I: Salaries and Increments of Employees

Article (57)

The Ministry of Finance – the Directorate of Salaries shall disburse a regular annual increment on the first of January each year for the employees who have spent one year or more in service. The government department and the Council shall be notified thereof.

Article (58)

The employee must notify the Unit of Personnel Affairs in his or her government department by a date not exceeding the middle of the month of January each year of the data pertaining to his or her marital status using the designated form. He or she must specify any change in his or her marital status within thirty days from the occurring of the change, accompanied by the supporting documents. The Council shall be given a copy of the form and attached documents. The Ministry of Finance shall also be notified of the required change.

Article (59)

1. In coordination with the Council and upon the approval of the Ministry of Finance, each government department shall include in its draft budget the necessary appropriations in return for working at times other than the official working hours.
2. Any sums for working at times other than the official working hours may not be disbursed unless appropriations thereof are allocated in the public budget.
3. The relevant head of government department shall divide the approved budget between the departments whose function requires working at times other than the official working hours in accordance with the interest of the work.

Article (60)

1. Upon request by various departments, the Unit of Personnel Affairs shall allocate the persons assigned to work at times

other than the official working hours, provided that such disbursed sums do not exceed a quarter of the total salary of the concerned employee.

2. The Unit of Personnel Affairs shall present the request of assignment to perform the work at times other than the official working hours using the designated form to the relevant head of government department, who shall refer the request to the Council for approval based upon the approved budget, along with the time allotted for the performance of work at times other than the official working hours.
3. The request of assignment to perform work at times other than the official working hours must include the reasons thereof, whether employment is resulting from a sudden excess of work, due to urgent reasons not pertaining to the essence of the official work or due to compelling seasonal reasons for a specific period of time, taking into consideration that such works cannot be performed during the official working hours.
4. The requests of assignment to work at times other than the official working hours shall be attached to a list clarifying the number of employees assigned to work at times other than the official working hours, along with the days and hours of work, the period in which the work is expected to be completed, and the sum expected to be disbursed in effect.
5. The employee may not be assigned to work at times other than the official working hours except upon the approval of the head of the government department and endorsement of the Council in accordance with the approved budget.
6. The direct manager of the employee must ensure the smooth distribution of workload so as to ensure it is being performed. He or she must also monitor his or her subordinates as to exploit the working hours in the performance of their original duties.

Article (61)

The employees of the higher and first categories shall not be paid any sum in return

for working at times other than the official working hours.

Article (62)

1. The employee who is assigned to work at times other than the official working hours must so register on a record on a daily basis using the designated form. Such shall be approved each day by the direct manager.
2. The Unit of Personnel Affairs must register the working hours of the department's employees, who worked at times other than the official working hours, using the designated form. The direct manager of the employee shall sign the form, which shall be approved by the head of the government department and sent to the Council within the first five days of each month.
3. The Council shall examine, verify, approve, and send the forms to the Ministry of Finance.

Chapter II: Benefits and Promoting Increments

Article (63)

Each government department shall include in its draft budget the appropriations required for the granting of promoting increments, allowances, benefits and reimbursements, the consideration for extraordinary efforts and various kinds of remunerations.

Article (64)

Any remunerations or increments which are not budgeted in the public budget shall not be disbursed for any reason whatsoever.

Article (65)

In coordination with the Council, the head of the government department may grant the employee who meets the conditions provided by the Law a promoting increment. The Council shall notify the Ministry of Finance thereof.

Article (66)

In coordination with the government departments, the Council shall define the rates

or amounts of the increments and allowances and refer the same to the Council of Ministers for approval based on the approved budget.

Chapter III: Transference, Delegation and Secondment

Article (67)

The public interest, work interest, good use of the employees' services, and economy in expenses shall be taken into consideration upon the transference, delegation, or secondment of the employee.

Article (68)

1. For the transference of an employee from a government department to another, the following must be performed:
 - a. The employee who wishes to move from a government department shall submit a written application to the Unit of Personnel Affairs at the government department to which he or she belongs. In the application, he or she shall define the government department to which he or she requests to be transferred, in addition to the function, functional category, and degree.
 - b. The application shall be presented to the relevant head of government department. Following his or her approval, the application shall be sent to the government department to which transference is required for approval. The Council shall be notified thereof.
2. Based upon the work interest, the government department may request the transference of an employee following coordination with another government department.

Article (69)

All government departments must provide the Council within the month of December each year with a statement including:

1. The numbers and titles of functions which shall be dispensed with or those exceeding their need in accordance with the functional decisions of each entity.

2. The Council shall examine the applications sent thereto by various departments concerning the occupation of vacant functions or creation of new ones. Transference may take place from among those employees from a department to another, by a decision from the Council in coordination with the government department and the Ministry of Finance.

Article (70)

Based upon the work interest, an employee may be transferred from a government department to another on one condition: the approval of both heads of departments must be received following prior coordination with the Council and provided that a vacant function is available on the organisational structure, as well as the List of the Functions approved at the government department to which the employee is to be transferred.

Article (71)

Following prior coordination with the Council, the entity responsible for the appointment of the employee shall issue forth the decision of transference following coordination with the department to which he or she is to be transferred and thus notify the Ministry of Finance.

Article (72)

1. The decision of transference shall be deemed effective from the date on which the employee assumes work at the entity to which he or she is transferred. The government department from which the employee is transferred shall sustain his or her salary until the date of his or her quittance therefrom.
2. In case the employee is transferred from a government department to another, the government department at which he or she worked shall send his or her file and all personal data to the government department to which he or she is transferred.

Article (73)

1. The employee may be delegated from a government department to another for a period of one renewable year in the event the public interest so requires.

2. In coordination with the Council, the head of government department shall issue a decision to delegate the employee upon the approval of the government department to which the employee is delegated.

Article (74)

1. Delegation shall be conducted to government departments only.
2. The function to which the employee is delegated must not be less than his or her original function.
3. The salary of the delegated employee shall continue to be paid from the account of the government department from which he or she is delegated.
4. The period of delegation shall be for a maximum period of one renewable year for one time only.
5. The employee may not be delegated once again to the same entity to which he or she was delegated, except after the lapse of three years from his or her return to work at his or her original government department.

Article (75)

The delegated employees shall administratively report to the entity to which they are delegated in regard of supervision, accountability, and compilation of reports about them. A copy thereof shall be sent to the original department.

Article (76)

The entity to which the employee is delegated may terminate the delegation if the public interest so requires, provided that the employee and the entity from which he or she is delegated are notified at least one month prior to the date allotted for the termination of the delegation in case there are reasons necessitating the termination of delegation immediately. The Council shall also be notified thereof.

Article (77)

Upon the delegation of the employee from a government department to another, his or her function shall remain vacant.

Article (78)

The decision of secondment shall be issued by the entity responsible for the appointment based upon a request by the entity requesting secondment and following prior coordination with the Council and employee's written approval to accept the secondment. The decision shall define: the period of secondment, the date of its commencement, name of the entity requesting secondment, and conditions pertaining to the secondment if available.

Article (79)

The seconded employees shall administratively report to the entity requesting secondment in regard of supervision, accountability, and compilation of reports about them. A copy thereof shall be sent to the original department.

Article (80)

1. During the period of his secondment, the seconded employee shall not earn any portion of his or her salary or any entitlements from the government department from which he or she is seconded.
2. The period of service shall not be calculated for the purposes of retirement unless the employee pays all due pension considerations thereof.
3. The employee may not be seconded once again abroad except following the lapse of five years from his or her return to work.

Article (81)

Upon the secondment of the employee, his or her function shall remain vacant. It may be filled on a temporary basis, according to a special contract or by proxy for a period of time not exceeding the period of secondment, provided that the appropriations of such function are not exceeded. The function shall be evacuated upon his or her return or if he or she is transferred to another function in the same grade as his or hers.

Article (82)

1. The employee may terminate the period of his or her secondment prior to the

expiration of the period permitted to him or her. In such case, he or she must return to the government department immediately upon the termination of his or her secondment.

2. The seconded person must return to the government department from which he or she is seconded immediately. He or she shall be deemed absent from work as of the date on which the period of secondment expires.
3. The period of secondment shall not be included in the balance of the employee of his or her due annual leaves.

Chapter IV: Obligations and Functional Conduct of the Employee

Article (82)

The employee may not work or be occupied with a work beyond the scope of his or her function on a permanent or temporary basis, except upon the approval of the relevant head of government department, and shall notify the Council thereof. This shall be also applicable to the employee during the period of his or her leave, whether paid or unpaid.

The purchase of shares or shareholding in companies shall not be deemed beyond the scope of the function so long as the employee is not active in any manner whatsoever in the management of the company or partnership.

Article (84)

1. The employee shall submit a request to obtain a permission to work beyond the scope of the function, using the designated form, to his or her direct manager, who shall sign it depending on his or her entitlement and refer it to the Unit of Personnel Affairs of the employee, upon the approval of the relevant head of government department, and the Council shall also be notified thereof provided that its duration lasts for a period not exceeding one year.
2. The employee who wishes to renew the period of work beyond the scope of the function must submit a new request.

3. Following the review of the form of work beyond the scope of the function, the Council may request that the relevant head of government department suspend the approval in the event it contravenes the conditions of this Bylaw.
4. In case the function performs a work beyond the scope of the official work without obtaining a prior permission, he or she shall be disciplined.

Article (85)

The following shall be a condition precedent to granting permission to work beyond the scope of the employee's position:

1. Such work must not influence the obligations and capacities of the employee within the domain of his or her or work in the field of civil service or affect his or her status as an employee.
2. Such work must not be associated in a direct or indirect manner with the performance of the employee of the duties assigned to him or her.
3. The employee must not associate with any individual, company, or institution which has financial or commercial ties with the government department at which he or she works or with any other government department with which he or she is connected within the scope of his or her work in the civil service.
4. The employee's practice of such work must not cause any damage, clash, or contradiction with the function or its requirements or the systems of civil service or any other Law.
5. Work must be beyond the scope of the official working hours or the employee's workplace. He or she must not use the properties of any government department in the performance of such work.
6. The number of working hours beyond the scope of the function must not exceed three hours per day, so that they do not exceed nine hours a week.

Chapter V: Disciplinary Measures and Penalties

Article (86)

The relevant head of government department or the person authorised by him or her from among the higher category shall be entitled to the authority to impose the penalties of monition or caution on the employees of the first category or below. The Council shall thus be notified.

Article (87)

In conformity with this Bylaw, the entity to which the employee is delegated or seconded shall be responsible for interrogating and disciplining him or her in regard of the contraventions which he or she commits during the period of delegation or secondment.

Article (88)

1. The employee shall be referred to interrogation by an Interrogation Committee. The decision of referral shall entail a statement of the contraventions ascribed to him or her.
2. With the exception of the employees of the special and higher categories, the Chairperson of the Council or the person whom he or she authorises in writing shall issue forth, in coordination with the relevant government department, a decision to form a committee to interrogate the employee and hear his or her statements. The decision shall also include the duty of the committee and the place and date of its convention.
3. The committee shall be composed of at least three and not more than five members, one of whom shall be appointed as the head of the committee. At least one representative of the government department of the employee shall be a member on the committee.

Article (89)

1. Before the commencement of the interrogation, the Interrogation Committee shall notify the direct manager of the employee of its desire to do so.

He or she must offer all facilitations to the committee in order to conduct the interrogation.

2. The employee may attend all the interrogation sessions unless the interest of interrogation requires that it be conducted in his or her absence. Nonetheless, he or she shall be entitled to view the interrogations that took place as well as all relevant papers. He or she may also hire a lawyer in regard of presenting his or her defence or delegate him or her thereat.
3. The committee may conduct the interrogation in public or in secret according to committee's discretion.
4. The Interrogation Committee must record the interrogation protocols in writing. The names of the committee members and the employee who interrogated must also be registered thereon. All of them shall sign on each page in the protocol by themselves.
5. The Interrogation Committee – while conducting the interrogation – shall have the authority to:
 - a. Request the employee referred to it to attend before it in order to question him or her.
 - b. Request any other person which it reasonably believes that he or she may give statements which may help in the interrogation to attend in order to interrogate him or her.
 - c. Request all books and documents related to the subject matter of the interrogation.

Article (90)

The employee referred to interrogation must answer the call for interrogation before the committee and give his or her statement. In case he or she refuses to do so, he or she shall be deemed a refraining and as absent from work from the date on which he or she refuses to give his or her statement before the committee. His or her government department, the Council and the Ministry of Finance shall thus be notified.

Article (91)

1. Following the completion of the interrogation, the Interrogation Committee must submit a report to the entity responsible for the formation of the committee, accompanied by a protocol of the committee, a report on the facts which it has found, and the recommendations which it deems appropriate within fifteen days from the completion of the investigation.
2. The investigation committee's recommendations shall be issued with the majority vote of its members. In case the votes of the committee's members are equal, the opinion of the side where the head is shall be weighed.
3. The entity which is responsible for the formation of the Interrogation Committee shall issue forth the appropriate decision based on the recommendations of the Interrogation Committee.
4. The protocol, its attachments, and recommendations of the Interrogation Committee shall be deemed highly confidential. Any part thereof may not be disseminated or their contents be revealed to any person who is not entitled thereto.
5. Each person who knowingly gives incorrect or misleading information to the Interrogation Committee shall be disciplined.

Article (92)

1. The entity which is responsible for the formation of the Interrogation Committee shall notify the employee in writing of the penalty imposed upon him or her and the reasons thereof. The Council and the Ministry of Finance shall be notified thereof.
2. The penalty pertaining to the deduction from the basic salary, to which the employee is entitled, shall enter into force starting from the salary of the month following his or her being notified of the penalty imposed upon him or her and within the limits allowable by the Law.
3. The papers pertaining to the interrogation and penalty shall be kept in a sub-file to be annexed to the employee's service

file. A notice of the disciplinary penalties shall be prepared and deposited in the aforementioned sub-file. In the notice shall be recorded the contraventions and penalties imposed upon him or her as well as the dates and numbers of the decisions issued to impose them. No person may view such file.

Article (93)

An employee may not be referred to interrogation due to disciplinary contravention on the revealing of which more than six months have elapsed. Such period shall be interrupted by any procedure of interrogation, indictment, or litigation. The period shall enter into effect anew commencing from the last procedure. In case of multiple indictees, the termination of the period With respect to one of them shall result in its termination on part of the others, even if definitive measures have not been taken against them.

Article (94)

Each employee to whom any matter requiring his or her being apprehended, detained or interrogated is ascribed, the government department of the employee must immediately notify the Council thereof.

Article (95)

The imposition of the penalty provided for in the Law of Civil Service shall not prevent holding the employee accountable or vice versa. The disciplining of the employee may be considered in spite of his or her being innocent from the penalty.

Chapter VI: Elimination of Disciplinary Penalties

Article (96)

Without need to submit a request to the employee, the Unit of Personnel Affairs at the relevant government department may take measures to eliminate the penalties in case the conditions of elimination are fulfilled in accordance with the provisions of the Law of Civil Service and this Bylaw.

Article (97)

1. The decision to form the Committee of the Elimination of Disciplinary Penalties in regard of those not occupying higher functions shall be issued forth by the Council in coordination with the head of the government department. The decision shall include the duties and procedures of the committee's work as well as the place and date of its convention.
2. The committee shall view the employee's file at the government department, as well as the annual reports on his or her performance efficiency and the opinion the direct manager of the employee in writing. It may also request any other data.
3. The committee shall its decision to eliminate the penalty by the majority vote of its members in case it finds that the conduct and work of the employee has been satisfactory since the imposition of the penalty. A copy shall be kept in the employee's file at the Council and another copy in his or her file at the government department.
4. The Council of Ministers may form a Committee for the Elimination of Penalties for those occupying the functions of the higher category. The committee must submit its recommendations to the Council which is entitled to issue the appropriate decision.

Article (98)

1. The outcome of the penalties of deduction shall be deposited in a special account in the name of the Ministry of Finance – the relevant government department.
2. Disbursement may not take place from the outcome of the penalties of deduction except by at least two signatures by the relevant head of government department and one by those occupying the higher functions at the government department, in addition to the signature of the auditor of the Ministry of Finance.
3. Disbursement shall be based upon official tax invoices.
4. Financial bylaws and regulations must be followed in the registration of the receipt. In addition, the laws and regulations of

supplies and purchases shall be adopted upon disbursement.

5. Disbursement may not take place except for social, cultural or sports purposes for employees at the government department at which the employee works.

PART FOUR

Chapter I: Leaves

Article (99)

In case an employee discontinues work, the direct manager must inform the Unit of Personnel Affairs at the government department of such discontinuation on the day he or she discontinues work and of the employee's return to work on the day he or she returns, whether the discontinuation was based on prior permission or without permission. He or she shall immediately notify the Council thereof.

Article (100)

1. The employee may be granted a normal leave following six months from the date of his or her commencement of work in service. If he or she leaves the service prior to the end the year for which he or she is entitled to the leave, however, he or she shall be obliged to pay the equal amount of the difference of the leave which he or she was not entitled to take.
2. Each unit at the government department shall prepare a list of its employees' leaves in a manner that safeguards the continuity of work therein. The list of leaves shall include the name of the employee replacing the absentee one who is on a leave so as to assume his or her powers and responsibilities.
3. The leave shall commence on the morning of the first day on which the employee is absent from work and expire on the evening of the day preceding the date set for his or her return to work.
4. The employee shall be granted his or her annual leave all at one time. It may also be granted to him or her in portions in case the work conditions so allow.

5. The normal annual leave of the employee may not be postponed except for strong reasons necessitated by the work interest and upon the approval of the head of government department. The Council shall thus be notified.

Article (101)

The employee shall submit the application of the normal annual leave, using the designated form, to his or her direct manager, who shall refer it immediately to the Unit of Personnel Affairs at the government department in order to indicate thereon whether he or she is entitled to the requested leave. The relevant head of government department or the person authorised by him or her shall issue a decision to grant the leave, along with defining its commencement and expiration, or refuse to grant the leave. The employee shall be notified in writing of such decision.

Article (102)

Each employee permitted to take a leave must write on the last official working day a declaration of taking a leave using the designated form. In the declaration, he or she shall state the date of the start and end of the leave permitted to him or her along with his or her address during the leave. In addition, he or she must write a declaration immediately upon his or her return to work from the leave using the designated form. He or she shall submit the two declarations – each one on its date – to the direct manager to sign and refer the same to the Unit of Personnel Affairs after presenting them to the official who permitted him or her to take the leave for approval.

Article (103)

The employee, who requests that his or her leave be extended, must notify the official who permitted him or her to take the leave in writing by a sufficient period of time prior to the expiration of his or her leave. In case he or she does not receive approval, he or she must immediately return to work upon the expiration of the leave.

Article (104)

In the event the employee fails to return to his or her work immediately following the expiration of the period of the normal leave,

the direct official must immediately inform the Unit of Personnel Affairs of his discontinuation of the work. He or she shall also notify the Council, which in turn informs the Ministry of Finance, to take the proper procedures.

Article (105)

The government department must notify the Council of the application for the leave which the employee requests to spend outside the country using the designated form, accompanied by the required documents which are defined by the Council. The employee may not take such leave except following the obtaining of the written approval on the leave. Upon his or her return, the employee must submit a copy of his or her passport showing the stamps of his or her exit and return in addition to the forms of the leave.

Article (106)

1. Following the expiration of the period of his or her normal leave, the employee may be absent from work for an urgent cause due to which he or she cannot inform his or her managers in advance. This leave shall be counted as an urgent leave.
2. The urgent leave may not last for more than three days on one occasion unless the head of the government department is convinced to grant him or her another period not exceeding ten days during one year.
3. The employee's right to the urgent leave shall be revoked with the expiration of the Gregorian year.
4. The procedures and forms adopted for the normal leave shall be used for the purposes of granting the urgent leave.

Article (107)

1. In case the employee discontinues his or her work due to an illness, he or she must thus inform his or her direct manager within 24 hours.
2. In cases in which the competent Medical Committee does not explicitly decide the illness of an employee, the government department of the employee must refer him or her to interrogation in order to

define the extent of his or her feigning illness based on the medical documents which he or she presents. In the event the employee is proven to have feigned illness, he or she shall be disciplined. Otherwise, the period of discontinuation of work shall be counted from the balance of his or her normal leave.

3. In coordination with the Ministry of Health, the Council shall set forth the procedures relating to the employee's obtaining of a sick leave.

Article (108)

The academic leave shall be granted to the employee in order to raise his or her cultural, scientific, professional, or technical level in case it bears a direct relationship to the duties of his or her function.

Article (109)

1. The relevant head of government department shall form a Committee for Academic Leaves, which shall be responsible for examining the applications submitted by employees to obtain an academic leave.
2. The employee who wishes to obtain an academic leave must submit an application using the designated form to the Unit of Personnel Affairs, which shall refer it to the Committee of Academic Leaves accompanied by its opinion on the extent to which the study conforms to his or her work, the extent of the need to such specialisation, and the extent of the satisfaction of the conditions to grant the leave. In coordination with the Council, the head of the government department shall issue forth a decision to grant the leave, including a definition of its start and expiration, or refuse to grant the leave. He or she shall also notify the Council and the Ministry of Finance thereof.
3. The employee shall submit a declaration as he or she takes the leave, as well as a declaration immediately upon his or her return from the leave using the designated form. The Council and the Ministry of Finance shall be notified thereof.
4. The academic leave shall be unpaid.

Article (110)

1. The employee, who has been granted an academic leave, shall be submit before he or she takes the leave a pledge in which he or she adheres to complete his or her study and to continue to work in the public service for the period of time defined in the pledge following the expiration of the academic leave using the designated form.
2. The employee must submit to his or her department and to the Council a certified official document from the institution in which he or she studies about his or her study each year. He or she must also submit a final official document of the results of his or her study within three months from the expiration of the study.

Article (111)

The function of the employee who is on an academic leave shall remain vacant. However, it may be occupied on a temporary basis or by a contract until the employee who is on a leave returns.

Unpaid Leave

Article (112)

1. The male or female spouse, if any of whom is permitted to travel abroad for a period of at least six months, shall be granted an unpaid leave. In all cases, the relevant government department shall agree to the male or female spouse's request of the leave in accordance with the procedures of the normal leave. The department shall notify the Council, which shall in turn notify the Ministry of Finance, thereof.
2. The employee shall submit the documents which support the permission to travel abroad as well as the period of time during which his or her spouse stays abroad.

Article (113)

1. The employee may submit a request to obtain an unpaid leave to his or her direct manager in which he or she states the reasons behind the request.

2. Following coordination with the Council, the head of the government department shall issue forth a decision to grant the leave, with the commencement and expiration defined, or to refuse the request. The employee, the Council and the Ministry of Finance shall be notified thereof in writing.
3. The unpaid leave shall be valid for a period not exceeding four years.
4. If the employee returns to work following an unpaid leave which has lasted for a period of one year or more, he or she may not be granted an unpaid leave again except after the lapse of a period of not less than one year, with the exception of granting the female employee an unpaid maternity leave or to accompany the male spouse abroad.
5. The government department may fill the function of the employee who is granted an unpaid leave for a period of at least one year provided that it is evacuated upon his or her return or his or her transference to another function with the same grade as his or hers. The procedures of appointment provided for in this Bylaw shall be implemented.
6. The employee may not assume any private work during the unpaid leave for any entity whatsoever except after obtaining permission in accordance with this Bylaw. Otherwise, he or she shall be subject to the penalty of legal accountability.
7. The forms and procedures of the normal leave shall be used for granting the unpaid leave.

Maternity Leave

Article (114)

1. The pregnant female employee must notify her direct manager of the pregnancy during the fifth month and immediately upon delivery and attach with the notification a medical report issued by a governmental hospital or physician. The Council shall also be notified thereof.
2. The female employee who is five-month-pregnant may not be employed during

weekly holidays or at times other than the official working hours.

3. The maternity leave shall commence on the day on which the female employee is absent due to a reason pertaining to delivery and based upon the approved medical report using the designated form.
4. The days on which the female employee is absent during pregnancy shall be counted from the sick leaves based upon an approved medical report and due to a reason not pertaining to delivery. The days of the sick leaves pertaining and related to delivery shall be counted for the pregnant female employee from the maternity leave.

Article (115)

The breastfeeding female employee may submit a request to obtain an unpaid leave for a period of one year to cater for her baby. The government department must agree to such a request. The forms and procedures adopted in the normal leave shall be used and the Council shall thus be informed. The Council shall in turn inform the Ministry of Finance.

Article (116)

The leave for Hajj (pilgrimage to the holy shrines in the city of Mecca in Saudi Arabia) shall be granted based upon the employee's request. The forms and procedures adopted in the normal leave shall be used. It shall be granted once during the period of the employee's service and the Council shall be notified thereof.

Article (117)

The Unit of Personnel Affairs shall prepare for each employee a list of all kinds of leaves using the designated form, which shall be kept in his or her service file. It must record thereon all the leaves which the employee obtains. It must also refer to it upon requesting any leave and send a copy to the Council on the first of January each year.

Article (118)

The employee must not leave his or her work before he or she receives a written notice of the agreement to his or her leave except under expedient circumstances to which the head

of the government department or the person authorised by him or her admits. In the event a reply to the request is not received within one week, his or her request shall be deemed refused.

Chapter II: Absence from Work

Article (119)

1. In case the employee discontinues his or her work, he or she shall be deprived of his or her wage for the period in which he or she is absent without violation of holding him or her liable and the Council shall be notified thereof. The Council shall in turn notify the Ministry of Finance.
2. If convinced by the cause behind the employee's absence, the relevant head of government department or the person authorised by him or her may count the period of the discontinuation of work from his or her normal leave in case his or her balance thereof so allows and causes were admissible. He or she shall notify the Council thereof.
3. In case the employee is absent for a portion of the day, including tardiness, the relevant head of government department may, following coordination with the Council, count the times of tardiness from work as unpaid or from the balance of the employee's normal leave in case his or her balance thereof so allows without violation of holding him or her liable, provided that each six and a half hours are deemed one day leave.

Article (120)

1. The employee shall be deemed to have lost his or her function in case he or she discontinues his or her work without permission for a period exceeding fifteen consecutive days even if such discontinuation succeeds a legal leave and in case he or she discontinues [work] for a period exceeding thirty inconsecutive days during one year. The head of the government department shall issue a decision thereof and thus notify the Council and the Ministry of Finance.
2. The Unit of Personnel Affairs shall prepare lists of the days on which employees at

the relevant government department are absent. It must inform the employee in writing in case the days of his or her absence reach fifteen inconsecutive days during one year and notify the Council thereof.

Article (121)

1. The absentee employee may be returned to his or her work provided that his or her vacant function is not filled in case the employee presents, within two months from the date of the discontinuation of his or her service, an admissible excuse of which the head of the government department in coordination with the Council is convinced. The period of the discontinuation of work shall be counted from the employee's normal leave. In case he or she does not have a balance thereof, the period shall be counted as unpaid.
2. The Unit of Personnel Affairs must notify the Council immediately as the employee discontinues work and immediately as he or she returns to it as well as of any decision concerning the counting of the days on which he or she discontinued work. The Ministry of Finance shall be notified thereof.

Chapter III: Scholarships and Training Courses

Article (122)

Employees may be delegated on scholarships, training courses or official missions with a full salary, with the exception of the transportation allowance.

Article (123)

Each unit at the government department shall prepare a detailed statement of its needs of various specialisations and expertise which require the delegation of employees on scholarships or training courses. It shall submit the statement to the relevant head of government department by a sufficient period of time prior to the commencement of the date of the scholarship or training course.

Article (124)

Each government department must present to the Council a detailed statement of its needs as well as the needs of the units affiliated to it regarding various specialisations and expertise which require the delegation of employees on scholarships or to attending training courses required for the next year prior to the commencement of the date defined thereto by a date not later than the month of October of each year.

Article (125)

The Committee of Scholarships and Course shall be formed by a decision from the Council of Ministers. The committee shall set forth and prepare the plans of scholarships and courses and all that is related to official scholarships, courses and missions. It shall also consist of the Chairperson of the Council as a head of the committee, a representative of the Departments of Planning and Finance and the concerned government department. The decision to form the committee shall define the procedures of its work and the place and time of its convention. The committee shall supervise, monitor and set forth the criteria of selection and approve the plans of official scholarships, courses, and missions and all that is related thereto.

Article (126)

Each government department shall include in its draft budget the financial appropriations necessary to implement the plan of the training of employees thereat. Nothing shall be disbursed from the draft budget except following a prior coordination with the Council.

Article (127)

The Chairperson of the Council shall issue forth a decision including the plans of scholarships and training courses for the next year.

Article (128)

1. Each government department shall announce the scholarships and training courses designated thereto to its employees. Each government department shall finalise the procedures of nomination for the scholarship or training course by a sufficient period of time prior to the commencement of its duration.

2. A Committee of Scholarships and Training Courses shall be established in each government department. It shall be formed by a decision from the head of the government department and shall be responsible for the examination of the applications submitted by employees for scholarships and training courses.
3. The employee, who wishes to obtain a scholarships or training course, must submit an application using the designated form to the entity to which he or she belongs. Such entity must refer the application to the Committee of Scholarships and Courses at the government department supported with its opinion about: the extent to which the study conforms to his or her work, the extent to which such specialisation is needed, and the extent to which the conditions apply to him or her, as well as a statement of the reasons on which it built its opinion. The application shall be referred to the Council.

Article (129)

The employee who is nominated for the scholarship or training course must:

1. Hold the scientific qualification which the scholarship or course require.
2. Hold at least a good evaluation in the report of performance efficiency during the last year.
3. At least one Gregorian year has elapsed on his or her appointment for the purpose of courses and three years for the purposes of scholarships.
4. The subject of the scholarship or course must bear a direct relationship to the employee's work at the government department or its subject bear a nationalistic nature.
5. At least three years have elapsed on the date of his or her return from a former scholarship, or one year on his or her return from a former training course unless the course complements a former one or is a development thereto.

Article (130)

1. The Council shall approve the requests by the government departments to delegate their employees on scholarships and training courses outside Palestine.
2. In coordination with the Council, the relevant head of government department shall issue forth a decision to delegate employees on scholarships and training courses inside or outside Palestine.

Article (131)

The employee shall sign juridical declaration and pledge to be signed by two sponsor employees, using the designated form, for the terms and conditions which he or she shall abide as well as perform the following:

1. To join the educational or training institution to which he or she is delegated and to attend the study and training therein in accordance with the plans and programmes established thereto.
2. Not to change or introduce any modification to the subject of his or her study or training or move to any other educational institution except upon a prior written approval from the relevant head of government department in coordination with the Council.
3. Adhere to work at the government departments for the period of time which the Committee of Scholarships and Courses at the government department defines.
4. The allocation of the sums which are disbursed for the scholarship or course on which he or she was delegated shall be official and definitive evidence stating its amount, details and reasons. It shall be binding to him or her and to the sponsors, any one of whom may not challenge or prove a contradiction against them.
5. Any sums that have been disbursed for the scholarship or course on which he or she is delegated and disbursed to him or her by any entity shall be deemed paid from the public treasury directly for the purposes of the scholarship or course. He or she as well as the sponsors shall be bound jointly and severally to redeem them in the event of violating the regulatory provisions of the

delegation and the conditions stated in such pledge.

Article (132)

The period of any scholarship or training course shall be renewed by a decision from the Council based upon a request by the relevant head of government department, provided that convincing reasons behind the renewal are available.

Article (133)

1. The delegated employee must provide the government department to which he or she belongs with the following documents, which must be certified by the institution to which he or she is delegated:
 - a. Reports demonstrating his or her attendance to the study or training at the institution in accordance with the established plans and programmes, provided that the interim period between one report and another does not exceed six months.
 - b. The results of examinations or the test and regular tests which he or she sits for in his or her study or training as well as the final results which he or she obtains in each semester or year and at the end of his or her training.
 - c. Any other document requested by the relevant parties.
2. The delegated employee shall be deprived of his or her appropriations and disbursements by a decision from the Chairperson of the Council based upon a request by the head of government department for any year in the event he or she has not presented during the year preceding it or during any other year the documents provided for in Paragraph (1) above.

Article (134)

1. The period which the employee spends on training shall be deemed to a working period. His or her interruption of the training without an acceptable excuse shall be deemed a discontinuation of work.

2. The employee's failure to attend the training without an acceptable excuse shall be deemed a violation of the duties of his or her function. The relevant entity shall refer him or her to interrogation in order to define the extent of his or her liability.

Article (135)

The delegated employee's scholarship or training course shall be terminated by a decision from the Chairperson of the Council based upon a request by the relevant head of government department in any of the following cases:

1. In case a judgement by a judicial authority inside or outside the State is issued against him or her and which convicts him or her of a crime or moral misdemeanour that violates the honour.
2. In case he or she is proven to have performed any activity that does not conform to the public interest or has intervened in the affairs of the country to which he or she has been delegated.
3. In case he or she fails to attend or is tardy to join the study or training at the institution to which he or she has been delegated on the allotted time and has not submitted an acceptable excuse.
4. In case his or her periodical or annual results demonstrate his or her negligence or failure or that he or she has been dismissed from the institution to which he or she is delegated and has not submitted an acceptable excuse.
5. In case he or she suspends his or her scholarship or course and does not submit a legitimate excuse thereto.
6. In case he or she changes the subject of his study or training or brings any modification thereto or moves to another institution other than that to which he or she has been delegated without obtaining a prior written approval thereon from the relevant entity unless the Council approves it upon a request from the government department.

Article (136)

In the event the delegated employee's scholarship is terminated or his or her training terminates for any reason provided for under the previous Article or for any other reason thus necessitating, the delegated employee and his or her sponsors shall be obliged jointly and severally to pay all the sums which have been disbursed to him or her during his or her scholarship or course in accordance with what the Committee of Scholarships and Courses at the government department defines. The Council may also claim such employee in the event he or she does not sign a pledge of all the sums which have been disbursed to him or her during his or her scholarship or training. This Article shall be applied to all delegated employees before the issuance of this Bylaw.

Article (137)

The delegated employee must subject him or herself under the disposition of the relevant government department from which he or she has been delegated immediately upon his or her return from the scholarship or course, whether he or she has completed its requisites or they were deemed terminated in advance. He or she shall be deemed violating the regulatory and contractual provisions and conditions of delegation in the event he or she does not access his or her department to perform the duties of his or her function within a period of time not exceeding ten days from the date of his or her return from the scholarship or training course.

Article (138)

Following his or her return from the scholarship or course to which he or she has been delegated, the employee and his or her sponsors shall be obliged to pay the sums which have been disbursed to him or her during his scholarship or course in any of the following cases:

1. In case a decision is issued forth to dismiss him or her from the function, deem him or her as having lost it, by his or her resignation, or by dispensing with his or her service before he or she completes the period which he or she has committed to serving in accordance with the provisions of this Chapter and the conditions of the pledge which he or she signed upon his or her delegation.

2. In case he or she transfers himself or herself to early retirement following his or her completion of the period of service which so allows him or her or for the availability of reasons which entitle him or her to such right prior to the expiration of the periods defined in the pledge.
3. In case he or she contravenes any provision in this Chapter or violates any condition of the pledge according to which he or she was delegated.

Article (139)

The period which the employee spends on training shall be deemed a training period. His or her interruption of training without an acceptable excuse shall be deemed an interruption of work. In case the period of interruption exceeds a quarter of the period allocated for training, the employee shall be deemed failing to attend the training provided to him or her.

Article (140)

The employee's failure to attend the training without an acceptable excuse shall be deemed a violation of the duties of his or her function. He or she shall be disciplined. The relevant entity shall refer him or her to interrogation of the extent of his or her administrative liability.

Article (141)

Based upon the request of the government department, the Chairperson of the Council shall be entitled to the following:

1. Delegate the employee on a paid official mission, excluding the allowance of transportation, to attend a conference, seminar, forum, or scientific encounter or to conduct a research visit, tour or a similar matter inside or outside Palestine.
2. The official mission must not be based upon a personal invitation to the employee.
3. The request to delegate the employee shall be submitted to the Council at least two weeks prior to the date of the mission unless the case requires otherwise.

Article (142)

The conditions and procedures of joining courses and the programmes pertaining thereto along with the follow up on the affairs of the delegated employees shall be regulated by a decision from the Chairperson of the Council following coordination with the Committee of Scholarships and Courses.

Chapter IV: Suspension from Work

Article (143)

1. The government department shall notify the Council immediately upon the detention of any employee by the Policy or any other entity. The Council shall notify the Ministry of Finance to withhold his or her salary temporarily until the adjudication of the reason of his or her absence.
2. The Council shall address the relevant entities regarding the employee and define the legal status.
3. Based upon the request of the government department, the Council may disburse a portion not exceeding half of the employee's salary until his or her return to work. His or her entitlements may not be deducted in case his or her service is terminated starting from the date of detention. The Ministry of Finance shall thus be notified.
4. In case the employee is not charged with any indictment and the reason of his or her detention does not pertain to his or her function nor is it due to his or her being charged with an indictment, nor pertains to his or her function, nor violates the honour or trust, the Council shall return him or her to work. The period starting from the date of his or her detention until he or she commences work without pay shall be counted. The sum which he or she has disbursed within such period shall not be reimbursed.

Article (144)

The head of the government department shall issue forth a decision to suspend from work the employee who is referred to disciplinary interrogation. In such case, all of the

employee's powers which have been granted to him or her during the period of suspension from work shall end. The Council shall thus be notified.

Article (145)

The full salary shall be disbursed to the employee who is suspended from work and referred to interrogation by an interrogation committee. The transportation allowance for the period in which he or she has been suspended from work shall not be paid.

Article (146)

The head of the government department may transfer the employee to another function at the government department on a temporary basis following the issuance of the decision to refer him or her to interrogation in the event the interest of interrogation with him or her so requires until it comes to an end. The degree of the function to which the employee is transferred must not be less than his or her original degree. The Council shall thus be notified.

Chapter V: Work Injury

Article (147)

1. The relevant government department must notify the Policy of any work accident that takes place therein and include the name of the injured employee, his or her address and a summary of the accident, along with the date and time of the accident, the place of the accident, and the place to which the injured employee was transported for treatment. The department shall request that an investigation be conducted about the circumstances of the accident and a detailed report is submitted on the result of the accident, in which it specifically clarifies whether the accident has been intended or resulted from a gross and intended misconduct by the injured employee.
2. The direct manager of the injured employee must present a report to the Unit of Personnel Affairs at his or her government department including a summary of the accident. He or she must

also determine whether the injury of the employee has taken place while the employee was performing his or her work or due to it or for any other reason.

Article (148)

The employee who is injured in an occupational accident shall be granted the period of the sick leave which the competent Medical Committee decides with a full pay, taking into consideration the procedures related to the receipt of the sick leave by the employee. Such leave shall not be deemed from among the sick leaves allocated for the employee.

Article (149)

The Policy report, the direct manager's report, and the approved medical reports shall be referred to the Chairperson of the Council, in order to issue forth a decision on the accident. The compensation to which the employee is entitled shall be calculated in accordance with the Law.

Article (150)

The Council shall calculate the sums of compensation for the injury and refer the same to the Ministry of Finance.

Article (151)

The employee shall be deprived of his or her salary and increments by a decision from the head of the department for the period in which he or she is absent from work due to an illness or an injury in the event the illness or the injury occurs due to a mistake or a negligence by the employee, such as misconduct with others or misuse of the tools which he or she uses, or if the employee has performed any act that does not suit the honour of the function, such as consuming alcohol, taking illegal drugs, gambling, and any other acts violating the honour and public morals.

PART FIVE

Termination of Service

Article (152)

1. At the commencement of each year, the Unit of Personnel Affairs shall prepare a list of the names of employees who reached the legal age to leave the service, in order to present it to the relevant head of government department.
2. Following the prior notification of the government department three months prior to the date on which the employee reaches the legal age, the Council shall issue a decision to terminate the service of the employee, as of the day following his or her reaching such age. The decision shall be forwarded to the government department, which shall inform the employee thereof using the designated form. A copy of the decision shall be kept in the employee's service file after indicating the notification thereon. The Ministry of Finance shall thus be notified.

Article (153)

1. In case the employee submits his or her resignation, the Unit of Personnel Affairs to which he or she belongs must state the date on which it was received. Such resignation shall immediately be presented to the relevant head of government department, accompanied by a detailed note about the employee from his or her service file.
2. The employee may revoke his or her resignation within one month from the date on which he or she submits it, provided that he or she has remained in the service and prior to the approval of the head of the government department to accept the resignation.
3. In the event the relevant head of government department deems to approve the resignation or postpone its approval for reasons pertaining to the work interest or due to measures taken against the employee, the Unit of Personnel Affairs must immediately notify the employee thereof. In all cases, the resignation shall be kept in the

employee's service file after marking it with the decision of the relevant head of government department. The Council and the Ministry of Finance shall thus be notified.

Article (154)

The employee must continue to perform the duties of his or her function until he or she receives the decision to accept the resignation. Otherwise, he or she shall be deemed to have lost his or her function due to absence.

Article (155)

1. In case the employee submits a request to refer him or her to early retirement, the Unit of Personnel Affairs must state the date on which the request was received, immediately present it to the relevant head of government department and support it with a detailed note about the employee's age and the years of his or her service from the facts stated in his or her service file. The request shall be referred to the Council in order to propose a recommendation in its regard to the Council of Ministers.
2. The Council of Ministers shall issue a decision to approve or postpone the approval of the request for reasons pertaining to the work interest.
3. The government department must immediately notify the employee of the decision. A copy of the decision shall be kept in his or her service file.

Article (156)

1. Upon the termination of the employee's service, the Unit of Personnel Affairs shall prepare a letter of quittance for the employee using the designated form. It shall be sent to the Council and kept in the employee's sub-file.
2. The Council shall prepare an enumeration form of the period of the employee's service and transfer the file of the employee whose service has ended to the Commission of Retirement, accompanied by the enumeration form of the employee's period of service.

Article (157)

Following the termination of the employee's service, the Council may grant the employee a Certificate of Service based upon his or her request. The certificate shall include the following information:

1. The date of the commencement and end of service.
2. The function, category, and degree upon the end of service.
3. The reason of the end of service.

PART SIX

General Provisions

Article (158)

Upon the promotion of the employee, five per cent (5%) of the basic salary to which the employee is transferred shall be added.

Article (159)

Each government department shall include in its draft annual budget the financial appropriations necessary for the disbursement of the increases resulting from the transference of the employees in the service, the period of service and the previous experience. Disbursement may not take place except within the limits of the appropriations in the approved annual Budget Law.

Article (160)

1. The Unit of Personnel Affairs shall notify the employee in person of the administrative decision which pertains to him or her or his or her function immediately upon its issuance by his or her direct manager.
2. The employee may not file a grievance against the administrative decision unless within twenty days from the date of his or her knowledge thereof and if the administrative decision pertains to him or her in person and his or her function.
3. The employee who wishes to file a grievance against any administrative decision may submit a letter of grievance

to the head of the government department on the designated form through his or her direct manager.

4. The grievance must include the following information:
 - a. The name of the grievant as well as his or her function and address.
 - b. The date on which the decision against which the employee complains is issued and the date of its dissemination or the date on which the decision, against which a grievance is filed, is announced.
 - c. The subject matter of the decision against which a grievance is filed and the reasons upon which the grievance is built. Documents which the grievant deems appropriate to present shall be attached to the grievance.
5. The request of grievance and attached documents shall be referred on the next day to the Unit of Personnel Affairs at the relevant government department for examination, discussion, and endorsement. The Unit of Personnel Affairs shall also record it under a serial number in a special register which states the date on which it was presented or received.
6. The request and its attachments shall be presented to the relevant government department, who may examine it personally or through a committee appointed to examine the grievances which shall be formed upon his or her decision. The grievance may be examined in the absence of the employee or following his or her being summoned and after hearing his or her statements.
7. The relevant head of government department shall issue his or her decision regarding the grievance within sixty days from the date on which it was submitted. In the event the period ends without responding to the grievance, his or her grievance shall be deemed rejected. The concerned employee shall be notified in writing of the decision issued in regard of his or her grievance and the reasons upon which it was built. The Council shall be notified thereof.

8. In case the grievance filed by the employee is rejected or the period provided for in Paragraph (7) above has lapsed, the employee shall present the grievance to the Council using the designated form. A copy of the grievance shall be forwarded to the government department of the employee.
9. The Chairperson of the Council shall form a committee to examine the grievances. The committee shall consist of a representative of the Council and a representative of the government department of the employee. The decision shall include the duties and procedures of the convention of the committee, which shall submit its recommendations to the Chairperson of the Council.
10. In coordination with the relevant head of government department, the Chairperson of the Council shall issue forth a decision on the grievance within a period of one month from the date of submission thereof. The employee shall thus be notified. In the event a reply is not sent to the employee within such period, he or she shall deem his or her grievance refused.

Article (161)

Without prejudice to the provisions of this Bylaw, the Chairperson of the General Personnel Council shall issue periodical letters to implement the provisions of this Bylaw and a circular of the standard forms which implement them to all the government departments.

Article (162)

All concerned authorities, each within the sphere of its jurisdictions, shall implement the provisions of this Bylaw, which shall enter into force from the date of its publishing in the Official Gazette.

Promulgated in the city of Ramallah on August 15, 2005 *Anno Domini*, corresponding to Rajab 10, 1426 *Anno Hegira*.

Ahmed Qurei'

Prime Minister

Decision of the Council of Ministers No. 77 of 2005 on Promulgation of the Bylaw on the Purchase of Years of Service for the Purposes of Retirement⁴

The Council of Ministers,

Having reviewed the Amended Basic Law of 2003 and its amendments;

Having reviewed the Law No. 7 of 2005 of Public Retirement, particularly Article (113) thereof;

Having reviewed the proposition of the Public Commission for Insurance and Pensions; and

Based upon what the Council of Ministers approved in its session held in the city of Ramallah on December 11th, 2005,

Hereby promulgates the following Decision:

Article (1)

Subject to the provisions of the Law of Public Retirement, the employee, for whom years of service, which are less than the years required for the entitlement to a pension, are calculated when said employee reaches the age of retirement in accordance with previous laws of retirement and the Law of Public Retirement, shall have the right to purchase years of service for the purposes of retirement upon the end of his or her service, in pursuance of the provisions of the Law and this Bylaw, provided that they don't exceed the period remaining for entitlement to the minimum pension.

⁴ This Bylaw was amended on two occasions. For further information, see the Decision of the Council of Ministers No. 2 of 2006 on the Amendment of the Decision of the Council of Ministers No. 77 of 2005 on Promulgation of the Bylaw Concerning the Purchase of Years of Service for the Purposes of Retirement and the Decision of the Council of Ministers No. 135 of 2007 on the Bylaw Amending the Bylaw Concerning the Purchase of Years of Service for the Purposes of Retirement as well as the Bylaw No. 3 of 2006 amending it.

Article (2)

The employee shall be entitled to purchase years of service - as mentioned above - upon the end of his or her service and retirement on pension by reason of having attained the age of retirement, provided that said employee submits an application for the purchase of years of service no later than three months from the date on which the decision on the termination of his or her service was issued forth. Otherwise, the right of said employee to purchase the period of service mentioned above shall extinguish. In such case, his or her entitlements shall be calculated and settled in consistence with the period of his or her accepted actual service for the purposes of retirement.

Article (3)

Applications for the purchase of years of service shall be submitted by the employee to the Palestinian Pension Authority or through another employer, who shall be committed to referring his or her application to the Palestinian Pension Authority immediately no later than one week from the date on which the application was submitted. In the event the application is not referred from the employer, the person who causes the delay shall sustain the interests prescribed in the case of a delayed payment of the required amounts. It shall be a condition precedent that the employee specifies on his or her application the period of service required to be purchased during a period of three months from submission of the application. The decision shall identify the amounts required for the purchase of the period. The approval shall be conditional on the payment of such amounts by the employee.

Article (4)

In return for the purchase of the years of service in accordance with the Law and this Bylaw, the employee shall be committed to paying the employee's 10% share (contribution) of the amount of the last salary, in addition to the Government's 12.5% share (contribution) of the amount of the last salary, to which the interest prescribed in pursuance of this Bylaw shall be added.

Article (5)

The employee, who is retired on pension, shall pay the required amounts for the purchase of the period of service as a lump sum, to the account of the Palestinian Pension Authority, within six months from the date of the termination of his or her service by reason of having reached the age of retirement. In the event he or she does not pay as mentioned above, he or she shall be deemed to have waived his or her application, and he or she shall not have the right to reapply for any reasons whatsoever.

Article (6)

The amount payable in consideration of the purchase of the period of service shall be calculated in line with the last salary earned by the employee retired on pension, subject to the changes that are introduced from time to time to the employees of the same grade and seniority in the civil service and in accordance with the principle of the last salary provided for under the previous laws of retirement and the Law of Public Retirement. To this shall be added an interest to be set forth by the Board of Directors of the Palestinian Pension Authority, whereby it shall not be less than 4.5% per annum and counted as of the day following the expiration of the six month period prescribed under Article (5) of this Bylaw and towards the date of full settlement of the required amount, without prejudice to the maximum period limit, during which settlement is allowed.

Article (7)

The pension and all entitlements of the employee, who has purchased years of services, shall be reconciled in accordance with Article (113) of the Law of Public Retirement and in line with the pension calculation

system, to which he or she was subject upon the expiration of his or her service. The reconciliation and accounting between pension system funds and the present Law shall take place in pursuance of the provisions of the Law in relation to the accounting between pension funds or systems.

Article (8)

The Authority shall put forward the forms designated for the purchase of years of service and issue forth decisions for the enforcement of the provisions of this Bylaw.

Article (9)

All competent authorities, each within the sphere of its jurisdiction, shall implement the provisions of this Bylaw, which shall enter into force as of the date of its publishing in the Official Gazette.

Promulgated in the city of Ramallah on December 11th, 2005 *Anno Domini*, corresponding to Thu al Qi'dah 9th, 1426 *Anno Hegira*.

Ahmed Qurei'

Chairman of the Council of Ministers

Decision of the Council of Ministers No. 141 of 2005 on the Bylaw of Law No. 7 of 2005³ of the Public Retirement⁵

The Council of Ministers,

Having reviewed the Law No. 7 of 2005 of Public Retirement, particularly Article (124) thereof;

Having reviewed the proposition of the Minister of Finance; and

Based upon the Decision No. (4/23/9), which the Council of Ministers approved in its session held in the city of Ramallah on July 26th, 2005,

Hereby promulgates the following Decision:

Article (1)

The following words and expressions mentioned under this Bylaw shall have the meanings ascribed thereto hereunder unless the context requires otherwise:

The Law:	The Law No. 7 of 2005 of Public Retirement.
Pension System:	All the current pension systems, which have been established in accordance with the previous laws, as well as the regulations, bylaws and instructions which govern and manage the retirement of public sector employees.

Years of Service Admissible for Retirement:	The period of service, for which all subscriptions are paid. For the purposes of calculating the pension or honorarium, fractions of a month shall be deemed a full month.
Director General of the Authority:	Chairman of the Authority.

Article (2)

With the consent of the Board of Directors, the Authority shall be entitled to accept any unconditional subsidies or grants, either directly or through the agencies committed to paying the beneficiaries' salaries.

Article (3)

For the purposes of implementing Article (7), the recurrent budget of the Authority shall not include expenses of the Authority's investments and properties, expenses of the Keeper and Director of Investments, and any expenses that are necessary for the implementation of the Authority's investment activities.

Article (4)

1. Civil society organisations and non-profit institutions may, upon approval of the Board of Directors, join the pension system in accordance with the following conditions:
 - a. To abide by the criteria, which the Authority sets forth.

⁵ This Bylaw was amended by the Decision of the Council of Ministers No. (1) of 2006 on the Amendment of the Bylaw No. (141) of the Public Retirement Law No. (7) of 2005.

- b. To have a previous experience with pension or savings funds.
 - c. To have a definite administrative structure.
 - d. To submit a pledge on transference of the subscriptions, which are deducted on a monthly basis from the beneficiaries' salaries as well as the contributions due thereby to the Authority on the dates designated under the Law.
2. The contributions and pension and/or honorarium shall be calculated on the basis of the salary, which the beneficiary earns.
 3. The Board of Directors shall, subject to the instructions which it issues forth in this regard, be entitled to terminate the subscription of any institution to the pension system in the event it fails to transfer due amounts on the designated dates.

Article (5)

1. The person who completes sixty years of age shall be retired on pension. The person who meets conditions of the benefit from compulsory retirement in accordance with Article 27(2), (3) and (4) shall have the right to receive the pension, upon approval of the competent Minister or civil society organisation, at which he is employed, as well as upon approval of the Authority.
2. The employee who resigns before he is entitled to the pension shall have the right to request that all years of service credited thereto and for which financial contributions have been paid, be transferred to the alternative benefit system, provided that it is one of the funds whose management is supervised by the Authority.

Article (6)

1. The Board Chairman of the Authority shall be appointed from among the three professional members, who specialise in financial and economic matters, by a decision from the President of the National Authority based upon the

recommendation of the Council of Ministers.

2. The Board of Directors shall define the salaries and honoraria of the Chairman of the Authority.
3. The Board of Directors shall be entitled to dismiss the member who is absent from three consecutive meetings without an acceptable excuse and request that the Council of Ministers appoint a substitute thereto in accordance with the Law.
4. The Board of Directors shall develop a guide on the Authority's investments and assets, taking into consideration that investments are not distributed, mixed, or combined in financial, social, and political fields.

Article (7)

1. Each person who completes sixty years of age, but was not a public employee, shall have the right to receive pension allowances in the amount of (US\$100) one hundred US dollars per month, on condition that he or she does not have any other income or any source of sustenance. In the event an income or source of sustenance is available in an amount of less than (U\$100) one hundred US dollars, the difference between both shall be paid thereto.
2. The amount of (U\$75) seventy five US dollars shall be paid on a monthly basis for each of the spouses, to whom the provisions of Paragraph (1) apply.
3. The allowance for aging shall be a personal right for those who satisfy the conditions of entitlement thereto, and to whom the provisions of Articles (31, 32, 33, 34, and 35) are not applicable.

Article (8)

For the purposes of enforcement of the provisions of Article 25(4) of the Law, the Ministry of Finance shall sustain the amounts of insurance, which are due for the contributor to the pension system.

Article (9)

The payment of monthly allowances to the employees, whose services have been

terminated in accordance with the Decision of the Council of Ministers No. (2/2003), shall be suspended when their pension entitlements are settled in pursuance of the Law.

Article (10)

All competent authorities, each within the sphere of its jurisdiction, shall implement the provisions of this Bylaw, which shall enter into force as of the date of its publishing in the Official Gazette.

Promulgated in the city of Ramallah on July 26th, 2005 *Anno Domini*, corresponding to Jumad Akhar 20th, 1426 *Anno Hegira*.

Ahmed Qurei'

Chairman of the Council of Ministers

Decision of the Council of Ministers No. 239 of 2005 on the Regulation of Counting of the Past Service for Employees of the Palestine Liberation Organisation and its Accredited Factions and the Period of Imprisonment for Prisoners

The Council of Ministers,

Having reviewed the Law No. 7 of 2005 of Public Retirement, particularly Articles (110) and (111) thereof;

Having reviewed the proposition of the Minister of Finance; and

Based upon what the Council of Ministers approved in its session held in the city of Ramallah on October 12th, 2005,

Hereby promulgates the following Decision:

Article (1) Definitions

The following words and expressions mentioned under this Regulation shall have the meanings ascribed thereto hereunder unless the context requires otherwise:

The Law:	The Law No. 7 of 2005 of Public Retirement.
Employee:	Each Person who is appointed by a decision from a competent authority to occupy a civil or military position.
Previous Service:	The period of service, which the employee spent on a full-time basis in the institutions of the Palestine Liberation Organisation or one of its accredited factions.

The period of Imprisonment:	The period, which the employee spent as a prisoner in Israeli prisons or others as a result of his or her performance of a national act.
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Article (2) Counting of the Period of Past Service

The period of past service and the period of imprisonment shall be counted for the purposes of pension after they are approved by the Accreditation Committee, which is established in accordance with the provisions of this Regulation.

Article (3) Establishment of the Accreditation Committee

A committee to be called the (Accreditation Committee) shall be established as follows in order to approve the period of past service and period of imprisonment:

1. The Organisation and Management Commission as Head
2. The Military Financial Directorate as Member
3. The Palestinian National Fund as Member
4. The Palestinian Pension Authority as Member
5. The Ministry of Detainees' Affairs as Member

The Committee shall consult with a representative of the concerned faction to take part in its meetings, when the counting of the period of past service of any relevant members is discussed.

Article (4) Mandate of the Committee

1. The Accreditation Committee shall be responsible for approving the periods of past service and imprisonment for the employees, who are registered at the Palestinian National Fund, Organisation and Management Commission or Military Financial Directorate, as well as the periods of service for employees working at accredited factions of the Palestine Liberation Organisations for those who are not registered.
2. In the course of exercising its mandate, the Accreditation Committee shall have the right to examine the statements and registers submitted thereto by: the Palestinian National Fund, Organisation and Management Commission, Military Financial Directorate, and accredited factions of the Palestine Liberation Organisation.
3. The Accreditation Committee shall convene in plenary session and make its decisions by a majority vote.

Article (5) Filling out the Form

1. The Palestinian National Fund, Organisation and Management Commission and Military Financial Directorate (on the basis of their official records) shall fill out a form for the employee in three copies, on which the period of past service shall be specified.
2. The accredited factions of the Palestine Liberation Organisation shall fill out the form in three copies for the employees who are not registered at the agencies stated under Paragraph (1) above, on which the period of past service shall be specified.
3. The Foundation of Martyrs and Prisoners shall fill out a form in three copies, on which the period of imprisonment shall be specified.
4. The forms, prepared in accordance with the foregoing Paragraphs, shall

be referred, enclosed with a copy of the supporting documents, to the Accreditation Committee to make a decision thereon.

5. The Accreditation Committee shall refer the approved forms to the Organisation and Management Commission to register relevant data in a special register. These shall, then, be referred to the Pension Authority for calculation of the total monetary compensation and entitlements prescribed under Article (110) of the Law, including the employee's and Government's share for the approved years of past service and imprisonment, in accordance with the previous pension system to which the employee was subject, or the Law of Public Retirement in case he or she was not subject to any previous pension system.

Article (6) Keeping the Copies

A copy of the approved forms shall be kept at the Palestinian Pension Authority, employer, and the agency which prepared the form.

Article (7) Payment of the Amounts

The Government shall pay the amounts mentioned under Article 5(5) to the Palestinian Pension Authority in order to credit them to the employee's account. The Palestinian Pension Authority shall be committed to paying the pension entitlements to the employees in accordance with the provisions of Article (111) of the Law.

Article (8) Execution, Entry into Force and Publishing

All competent authorities, each within the sphere of its jurisdiction, shall execute the provisions of this Regulation, which shall enter into force as of the date of enforcement of the Law No. 7 of 2005 of Public Retirement, and shall be published in the Official Gazette.

Promulgated in the city of Ramallah on October 12th, 2005 *Anno Domini*, corresponding to Ramadan 9th, 1426 *Anno Hegira*.

Ahmed Qurei'

Chairman of the Council of Ministers

Presidential Decision No. 5 of 2006 on the Return of Government Vehicles by Retired and Resigning Civil Servants

The Chairman of the Executive Committee of the Palestine Liberation Organisation,

The President of the Palestinian National Authority

Having reviewed the Amended Basic Law of 2003 and its amendments;

The Law No. 7 of 1998 Concerning the Regulation of the Public Budget and Financial Affairs and its bylaws;

The Law No. 4 of 1998 of Civil Service and its amendments; and

The Law No. 7 of 2005 of Public Retirement;

Based upon the powers vested in us; and

And based on the public interest considerations;

We hereby promulgate the following Decision:

Article (1) Returning of Government Vehicles

Civil servants, who have retired or resigned from their positions, shall return all government vehicles, which are in their possession, with the exception of the vehicles whose possession is possessed in accordance with a decision issued forth by the President of the Palestinian National Authority.

Article (2) Execution, Entry into Force and Publishing

All competent authorities, each within the sphere of its jurisdiction, shall implement the provisions of this Decision, which shall enter into force as of the date of its promulgation and shall be published in the Official Gazette.

Promulgated in the city of Ramallah on January 19th, 2006 *Anno Domini*, corresponding to Dhu al Hijja 19th, 1426 *Anno Hegira*.

Mahmoud Abbas

Chairman of the Executive Committee of the Palestine Liberation Organisation

President the Palestinian National Authority

Presidential Decree No. 21 of 2006 on the Reformation of the Board of Directors of the Public Pension Authority

The Chairman of the Executive Committee of the Palestine Liberation Organisation,

The President of the Palestinian National Authority

Having reviewed the Amended Basic Law of 2003 and its amendments;

The provisions of the Law No. 7 of 2005 of Public Retirement; and

The Presidential Decree No. 11 of 2006 on the Formation of the Board of Directors of the Public Pension Authority;

Based upon the Decision of the Council of Ministers No. 141 of 2005 on the Bylaw of the Law No. 7 of 2005 of Public Retirement;

Based upon the recommendation of the Council of Ministers dated March 2nd, 2006;

Based upon the powers vested in us; and

And based on the public interest considerations;

We hereby promulgate the following Decree:

Article (1)

The Board of Directors of the Public Pension Authority shall be reformed with the following members:

1. Mr Sa'di al Kurunz	Specialist in financial and economic matters	As Chairman
2. Mr Mustafa Thiyab	Specialist in financial and economic matters	As Deputy Chairman
3. Mr Bashir Zuheir ar Rayyes	Specialist in financial and economic matters	As Member
4. Mr Farouq al Ifranji	Chairman of the Public Pension Authority	As Secretary of the Board
5. Dr. Jihad Hamdan	Chairman of the General Personnel Council	As Member
6. Mr Mohammed Yousef	Head of the Organisation and Management Commission	As Member
7. Mr Hasan Saleh	Representative of local government unit employees	As Member
8. Mr Mohammed Hamed al Jidi	Representative of retired employees	As Member
9. Mr Isma'il Mahfouz	Representative of the Ministry of Finance	As Member

Article (2)

The Presidential Decree No. 11 of 2006 on the Formation of the Board of Directors of the Public Pension Authority shall be repealed.

Article (3)

All competent authorities, each within the sphere of its jurisdiction, shall implement the provisions of this Decree, which shall enter into force as of the date of its promulgation and shall be published in the Official Gazette.

Promulgated in the city of Ramallah on June 20th, 2006 *Anno Domini*, corresponding to Jumada al Ula 24th, 1427 *Anno Hegira*.

Mahmoud Abbas

Chairman of the Executive Committee of the Palestine Liberation Organisation

President the Palestinian National Authority

Decision of Council of Ministers No. 20 of 2008 Concerning the Counting of the Period of Previous Service for Employees of the Palestine Liberation Organisation and its Approved Factions as well as the Period of Imprisonment for Prisoners

The Council of Ministers

Having reviewed the Amended Basic Law of 2003 A.D. and its Amendments;

Law No. 4 of 1998 A.D. Concerning the Promulgation of the Law of Civil Service and its Amendments;

The Law No. 7 of 2005 A.D. on Public Retirement, particularly Articles (110) and (111) thereunder;

The Regulation Concerning the Counting of the Period of Previous Service for Employees of the Palestine Liberation Organisation and its Approved Factions as well as the Period of Imprisonment for Prisoners, which was promulgated on October 12th, 2005 A.D.;

The recommendation of the Secretary General of the Council of Ministers;

The recommendation of the National Higher Group on the Legislative Plan; and

Based upon what the Council of Ministers approved in its session, which convened in the city of Ramallah on December 29th, 2008 A.D.;

Based upon the powers bestowed upon us by law;

Based upon the requirements of the public interest;

Hereby promulgates the following Regulation:

Article (1)

For the purposes of the enforcement of this Regulation, the terms provided hereunder

shall have the meanings designated thereto below as follows:

The Law:	The Law No. (7) of 2005 A.D. on Public Retirement.
Employee:	Each person who is appointed upon a decision from a competent body to occupy a function in the civil service or in the service of the Palestinian security forces.
Previous service:	The period of service which the employee spent in full time employment at the institutions of the Palestine Liberation Organisation or one of its approved factions.
Period of imprisonment:	The period which the employee spent as a prisoner in the Israeli prisons or others as a result of his performance of a national activity.

Article (2)

The period of previous service and period of imprisonment shall be counted for the purposes of retirement after they are approved by the Committee on Approval, which shall be formed in accordance with the provisions of this Regulation.

Article (3)

1. A committee to be called the Committee on Approval shall be composed to assume the power of approving the period of previous service and period of imprisonment as follows:

- The Commission of Regulation and Administration As Head
- The Military Financial Directorate As member
- The Palestinian National Fund As member
- The Palestinian Retirement Commission As member
- The Ministry of Prisoners' Affairs As member
- The General Personnel Council As member
- The Ministry of Finance As member
- Office of the Prime Minister As member

2. The Committee shall seek assistance from a representative of the concerned faction to take part in its meetings upon the discussion of the counting of the period of previous service for a member thereof.

3. Members on the Committee from among representatives of governmental departments shall be required to be experienced, specialists, and renowned for their integrity. They shall be appointed upon a decision from the Council of Ministers, after they are nominated by the heads of their respective governmental departments to the Council of Ministers, provided that they are from among the employees of the higher category in the civil service as well as officers with a rank of not below a colonel for employees in the service of the security forces.

4. The period of membership for the members on the Committee shall be two years.

5. In case the position of the Head of the Committee becomes vacant, another person shall be appointed in his place in accordance with the same manner, in which he was appointed.

6. In the event the position of any member becomes vacant for any reason whatsoever prior to the expiration of the period designated for membership, another member shall be appointed in his place in accordance with the same manner, in which he was appointed in pursuance of the provisions of this Regulation.

7. The General Secretariat of the Council of Ministers shall be the Secretariat of the Committee.

Article (4)

1. The Committee on Approval shall exercise its power of approving the periods of previous service and imprisonment with respect to the employees who have registers at the Palestinian National Fund, Commission of Regulation and Administration or Military Financial Directorate as well as the periods of service of the employees working in the approved factions of the Palestine Liberation Organisation, who do not have registers.

2. In the course of exercising its power, the Committee on Approval shall have the right to examine and verify the data and registers dispatched thereto from the Palestinian National Fund, Commission of Regulation and Administration, Military Financial Directorate and approved factions of the Palestine Liberation Organisation.

Article (5)

1. The Committee shall hold its regular meetings at least twice each month upon a call from its Head by one week prior to the date designated for the session, provided that the call includes the venue and time of the session and is enclosed with the agenda.

2. The Committee shall hold its exceptional sessions whenever necessary based upon a call from its Head or upon a request submitted to its Head and signed by at least one third of the members on the Committee.

3. Convention of the Committee shall be legal:

- a. With the attendance of five members of the Committee, provided that these include the Head of the Committee. In the event attendance of the required number is excusable, the session shall be put off to another date that does not exceed one week from the date of the session. Thereupon, the session shall be deemed to be legal if at least four members on the Committee attend it. This procedure shall be restricted to those who have official registers at each of the National Fund, Commission of Regulation and Administration and Military Financial Directorate
 - b. With the attendance of all members on the Committee "(100%) of the members" in regard of the approving of the years of service for factions of the Liberation Organisation, which do not have official registers at the National Fund, Commission of Regulation and Administration and Military Financial Directorate.
4. Sessions of the Committee shall be documented on official records. The record shall be signed by three present members, the Head and the Secretary.
 3. The Institution for the Families of Martyrs and Prisoners shall complete a triplicate application for the employee, on which it specifies the period of imprisonment.
 4. The applications which are developed in reference of the Paragraphs above shall be referred, while enclosed with a copy of the respective supporting documents, to the Committee on Approval to make a decision thereon.
 5. The Committee on Approval shall refer the approved applications to the Commission of Regulation and Administration in order to record relevant data on a special register and then remit them to the Retirement Commission to count the whole cash indemnity and entitlements provided under (110) of the Law, including the share of the employee and the Government of the years of previous service and imprisonment, which are approved in accordance with the previous Regulation on Retirement to which the employee was subject or the Law in the event he was not subject to any previous regulation on retirement.
 6. The approved years shall not be registered by the Committee as increments in the employees' salaries, which lead to the increase of the salary in the First and Higher Categories only. The approval shall be for the purposes of counting the retirement pension solely.

Article (6)

The decisions of the Committee shall be issued forth by an absolute majority vote of the present members. In the event the votes are equal, preponderance shall be given to the side of the Head of the Committee.

Article (7)

1. Each one of the Palestinian National Fund, Commission of Regulation and Administration and Military Financial Directorate shall, based upon its official registers, fill out a triplicate application for the employee, on which the period of previous service is identified.
2. Approved factions of the Palestine Liberation Organisation shall fill out a triplicate application for the employee who does not have registers at the bodies mentioned under Clause (A) above, on which the period of previous service shall be identified.

Article (8)

A copy of the approved applications shall be kept at each of the Palestinian Retirement Commission, the employer and the body which developed the application.

Article (9)

The Government shall pay the amounts mentioned under Article (7/E) to the Palestinian Retirement Commission to register them on the employee's account. The Palestinian Retirement Commission shall commit to pay the pension entitlements to the employees in accordance with the provision of Article (111) under the Law.

Article (10)

The Committee shall terminate its operations within a maximum period of two years as of the date of the enforcement of this Regulation.

Article (11)

The Committee shall adhere to presenting periodic reports every three months to the Council of Ministers on all its functions.

Article (12)

The Regulation Concerning the Counting of the Period of Previous Service for Employees of the Palestine Liberation Organisation and its Approved Factions as well as the Period of Imprisonment for Prisoners, which was promulgated on October 12th, 2005 A.D., shall be repealed along with all that contradicts the provisions of this Regulation.

Article (13)

All competent authorities – each one within its sphere of jurisdiction – shall implement the provisions of this Regulation, which shall enter into force as of the date of its publication in the Official Gazette.

Promulgated in the city of Ramallah on December 29th, 2008 *Anno Domini*

Corresponding to Muharram 1st, 1430 *Anno Hegira*

Salam Fayyad

Prime Minister

Decision No. 85 of 2008 on the Reformation of the Board of Directors of the Public Pension Authority

The Chairman of the Executive Committee of the Palestine Liberation Organisation,

The President of the Palestinian National Authority,

Having reviewed the Amended Basic Law of 2003 and its amendments;

The Law No. 7 of 2005 of Public Retirement and its bylaw; and

The Presidential Decree No. 21 of 2006;

Based upon the recommendation of the Council of Ministers dated March 6nd, 2008;

Based upon the powers vested in us; and

And based on the public interest considerations;

We hereby promulgate the following Decision:

Article (1)

The reformation of the Board of Directors of the Public Pension Authority in the following manner:

1. Dr. Sa'di al Kurunz	Specialist in financial and economic matters	As Chairman
2. Ma'moun Abu Shahla	Specialist in financial and economic matters	As Deputy Chairman
3. Khaled Zuheir Useili	Specialist in financial and economic matters	As Member
4. Jihad Hamdan	Chairman of the General Personnel Council	As Member
5. Mohammed Yousef	Head of the Organisation and Management Commission	As Member
6. Majed Abu Ramadan	Representative of local government unit employees	As Member
7. Mohammed Hamed al Jidi	Representative of retired employees	As Member
8. Nasser Abdul Majid Tahboub	Representative of the Ministry of Finance	As Member
9. Farouq al Ifranji	Chairman of the Public Pension Authority	As Secretary of the Board

Article (2)

All competent authorities, each within the sphere of its jurisdiction, shall implement the provisions of this Decision, which shall enter into force as of the date of its promulgation and shall be published in the Official Gazette.

Promulgated in the city of Ramallah on March 8th, 2008 *Anno Domini*, corresponding to Safar

30th, 1429 *Anno Hegira*.

Mahmoud Abbas

Chairman of the Executive Committee of the Palestine Liberation Organisation

President the Palestinian National Authority

Decision of the Council of Ministers No. 16 of 2009 Concerning the Bylaw on Deduction of the Income Tax from Salaries, Wages and the Like

The Council of Ministers,

Having reviewed the Amended Basic Law of 2003 and its amendments, particularly Article (70) thereof;

The Income Tax Law No. 17 of 2004, particularly Article (48) thereof;

The Decree-Law No. 2 of 2008 amending the Income Tax Law; and

The Bylaw No. 15 of 2005 on Deduction of the Income Tax from Salaries, Wages and the Like;

Based upon what the Council of Ministers approved in its weekly session No. (52) held on April 22nd, 2008,

Based upon the powers vested in it; and

Based upon the public interest considerations;

Hereby promulgates the following Bylaw:

Article (1) Definitions

The words and expressions mentioned in this Bylaw shall have the meanings ascribed thereto hereunder unless the context requires otherwise:

The Department: The Income Tax Department

The Director: The Director General of the Income Tax Department.

Employer: Any person who is responsible for paying salaries, wages, and the like in person or on behalf of another person.

Labourer: The natural person who works with pay in accordance with a written or verbal contract under the management and supervision of the employer, whether he or she works on a full-time or a part-time basis.

Employee: The employee who is appointed by a decision from the competent authority in a function that is listed within the Regulation on the Structures of Ministries, Government Bodies and Public Institutions, whether they are civil or military personnel, or within the employment structure table of local authorities.

Salary or Wage: Any salary, wage, honorarium, allowance, increment or any other privileges, including the commission which the employers pays to the employee in addition to any amount paid on a commitment basis.

Article (2) Deduction

1. The employer must deduct from the employee or labourer when paying the estimated tax due in accordance with the provisions of the Law, and transfer it to the competent Income Tax Department, enclosed with a statement, within fifteen days from the date of payment.

2. The employer, when paying a non-monthly salary or wage, including the honoraria of members of the Board of Directors or committees, must deduct on the account of tax an equivalent of 10% of the total amount paid as an income tax, provided that the final tax is settled at the end of the financial year.

Article (3) Discount of the Amounts

Any amount shall be cleared in accordance with the provisions of this Article from the taxable income of the person to who such income was paid for the year during which the deduction took place.

Article (4) Failure to Pay

1. In the event any employer fails to deduct or pay the tax, which said employer is bound to deduct and deduct and pay in accordance with the provisions of this Bylaw, it shall be collected from the employer as if it were a tax due thereby.
2. The provisions of Article (38) of the Income Tax Law No. 17 of 2004 shall be applicable to any employer who fails to pay the amounts due thereby on the dates designated in accordance with the provisions of Paragraph (1) of this Article.

Article (5) Preparation of the Record

Each employer must prepare a special record, to include the names of his or her employees as well as their salaries, wages, any increments or other privileges, exemptions to which they are entitled, any relevant tax deductions, or any adjustments made thereto.

Article (6) Assessment Officer

The assessment officer shall be entitled to view and audit the record provided for under Article (5) of this Bylaw in order to make sure that the employer abides by the provisions pertaining to tax deduction and payment. The assessment officer shall be entitled to include any observations or information, which may facilitate assessment officer's function, including the reasons requiring the suspension of that tax deduction from any of his or her employees.

Article (7) Tax Rates

The employer, when paying a monthly salary or wage to any person who is employed thereby, in excess of (12/1) of the total exemptions to which he or she is entitled, must deduct from such excess the due monthly tax in tandem with the following tax brackets and rates:

1. For every dollar from	The first 833 dollars	5%
2. For every dollar from	The next 834-1667 dollars	10%
3. Any amount in excess:		15%

Article (8) The Certificate

Each employer must provide the employee, at his or her request in the end of every year or upon the end of his or her service, a certificate that includes the total salaries, wages and increments paid thereto, as well as the tax deducted therefrom for any year.

Article (9) Tax Reduction or Increase

The assessment officer shall be entitled to request that any employer reduce or increase the tax deductible from salaries and wages, for the purposes of adjusting any incorrect deduction. The employer shall bear full liability resulting therefrom.

Article (10) The Statement

1. Each employer must provide the competent Income Tax Department at the end of every year with a statement, including the names of his or her employees, as well as their salaries or wages, increments, honoraria, other privileges, and amounts deducted as an income tax during the year.
2. The employer, upon the end of service of any of his or her employees, must make sure that the tax due on salaries or wages, which were paid during the period of his or her work, have been deducted or paid to the Department in accordance with the provisions of the Law and this Bylaw.

Article (11) The Statement Relating to Employees

Businesspeople, including natural or juridical persons, must submit a statement about the persons hired by them, including functionaries and employees, whether they receive a salary, wage, honorarium, or fees, to the competent Income Tax Department, within ninety days from the date on which they join the service or work, provided that it includes the following:

1. The name, place of residence and function of each.
2. The amount of their salaries, wages, fees, or any other privileges that are disbursed to them.

Article (12) The Submitted Statement

1. Heads and managers of companies, facilities and private agencies must, in addition to the provisions of this Bylaw, submit a list to include the following:
 - a. The name and place of residence of any person who occupies the position of a board chairperson, manager, or member of board, regulatory body or committee or otherwise, as well as the amount of his or her fees or honoraria, even if their assessment is associated with a decision from the Board of Directors or General Assembly.
 - b. Each amount paid to any person in consideration of his or her performance of any function of his or her occupation by way of commission or brokerage or other fees, grants or honoraria, whether paid on a permanent or incidental basis.
2. Heads and managers of companies, facilities, and private agencies shall be responsible for deducting the due tax amounts in accordance with the provisions of the Law and transfer them to the income tax account on the designated dates. They shall bear legal liability and the unpaid amounts shall be deemed a financial debt due by them.
3. The tax and discounts, which the Law imposes as an obligation to deduct or discount, shall be assessed for the head or manager or the company, facility, or agency and transferred to the account of the Department.

Article (13) Restriction on Salaries

Subject to the provisions of Article (10) of this Bylaw, salaries or wages may not be deducted for the purposes of assessing the taxable income for any employer unless the tax was deducted from such salaries or wages and paid to the Department in accordance with the provisions of this Bylaw and upon verification of their validity by the assessment officer.

Article (14) Repealing

The Bylaw No. 15 of 2005 on the Deduction of the Income Tax from the Salaries, Wages, and the Like, as well as any provision that contradicts the provisions of this Bylaw shall be repealed.

Article (15) Execution, Entry into Force and Publishing

All competent authorities, each within the sphere of its jurisdiction, shall implement the provisions of this Bylaw, which shall enter into force as of January 1st, 2008 and shall be published in the Official Gazette.

Promulgated in the city of Ramallah on April 21st, 2009 *Anno Domini*, corresponding to Rabi' al Akhar 15th, 1430 *Anno Hegira*.

Salam Fayyad

Prime Minister

Decision of the Council of Ministers No. 18 of 2010 Concerning the Bylaw on the Allowances and Expenses of Official Work Assignments

The Council of Ministers,

Having reviewed the Amended Basic Law of 2003 and its amendments, particularly Article (70) thereof;

Having reviewed the Law No. 4 of 1998 on the Promulgation of the Law of Civil Service and its amendments, particularly Article (92) thereof;

Having reviewed the Decision of the Council of Ministers No. 41 of 2004 Concerning the Promulgation of the Bylaw on the Allowances and Expenses of Official Work Assignments; and

Based upon what the Council of Ministers approved in its session held on September 27th, 2010; and

Based upon the powers vested in it,

Hereby promulgates the following Bylaw:

Article (1) Definitions

For the purposes of the enforcement of the provisions of this Bylaw, the words and expressions mentioned therein shall have the meanings ascribed thereto hereunder unless the context requires otherwise:

The Authority:	The Palestinian National Authority.
	With regards to his ministry and relevant departments and for the purposes of this Bylaw, the phrase “the competent Minister” shall include:
	1. The Prime Minister with regards to the Ministers and heads of government

The Competent Minister:

departments, institutions and authorities, who exercise the powers of the Prime Minister with regard to their departments, as well as chairpersons of the boards of directors of institution, and also with regards to the employees of the Prime Minister’s Office.

2. The head of any department, who exercises powers of the competent Ministry in relation to such department.
3. Chairperson of the board of directors of any public institution, authority or commission of the Palestinian Authority with regards to such institution, authority or commission.

Employee:

The employee who is appointed by a competent authority to occupy a position that is entered under the Regulation on the Structures of the Civil Service in the budget of a government department regardless of the nature of such position or title, including the employees appointed with fixed salaries, on contracts or on the account of projects.

Person:	Any person outside of the cadres of departments, who is tasked with an official assignment by the competent authority.
Work Station:	The place where the employee is appointed to exercise his or her official functions.
Official Assignment:	The assignment of the employee or person to attend a conference, seminar, or scientific symposium, to make a visit or a tour or perform any similar matter for a period that does not exceed one month, whether the assignment is inside or outside of the homeland.
Training Course:	The assignment of the employee to a training course outside of the territory of the homeland.
Delegation:	A group that comprises two or more employees or persons to represent the Authority in an official assignment outside of the territory of the homeland.

Article (2) The Scope of Enforcement

1. This Bylaw shall be applicable to the employees of the Authority.
2. This Bylaw shall not be applicable to any nonofficial travel assignment.
3. The travel assignment shall be disbursed to the persons included under the provisions of this Bylaw from the travel allowance of the department to which the employee reports.

Article (3) Classification of Groups

The persons included under the provisions of this Bylaw shall be classified into the following groups:

The Special Group: This shall include

The Prime Minister, Ministers, and persons appointed in the grade of Minister, Grand

Mufti of the Palestinian Territory, Chief Justice of Family Courts, Chairman of the High Judicial Council, and Chairman of the Bureau of Legal Counsel and Legislation.

The First Group: This shall include

Undersecretaries, Assistants to the Undersecretaries, Governors, Ambassadors, Attorney General and his assistants, members of the High Court, presiding judges of the Courts of Appeal at regular and family courts, and their counterparts members of the Bureau of Legal Counsel and Legislation.

The Second Group: This shall include

Directors General, judges, members of the Public Prosecution, and their counterpart members of the Bureau of Legal Counsel and Legislation.

The Third Group: This shall include

The rest of employees of the Authority.

Article (4) Contracted and Unclassified Employees

1. Contracted and unclassified employees shall be treated like the classified employee, who is equal to them in salary, provided that it does not surpass the Second Group and subject to any conditions stated in this regard in the contracts of their employment.
2. Classification of the person outside of the cadres of the Department shall not surpass the Second Group, with the exception of those who have already occupied positions within the Special and First Groups.

Article (5) Means of Transportation

1. In the event an employee or person is tasked to perform an assignment or a course in a work station other than his or hers, he or she shall be allowed to use the means of transportation which the competent minister determines in accordance with the following table:

Group	By car	By aeroplane	By train
Special	Full	Business class	First class

First	Full	Business class	First class
Second	Full	Economy class	First class
Third	A seat	Economy class	Second class

- The competent Minister shall be entitled to treat members of the delegation, whose grade is not less than the First Category (in accordance with the Law of Civil Service) like the head of delegation in terms of their right to use of the same class of the means of transportation, which is designated to the head of delegation in the event the members of delegation travel with its head.
- The body that is responsible for booking travel tickets shall ensure that departure and return are within the shortest period possible, in which the official assignment or training course is conducted. The competent authority shall cover the expenses of early arrival and late departure.
- The body that is responsible for booking travel tickets shall not arrange accommodation in transit and intermediate countries except in cases where an alternative is not in hand.

Article (6) The Official Work Assignment and Training Course outside of the Homeland

Any or all the allowances listed under this Bylaw, including travel tickets, shall be disbursed to the employee, who is tasked with an official assignment or training course outside of the territory of the homeland through the relevant Ministry.

Article (7) Training Courses

Non-hosted courses:

- If living and accommodation expenses of the employee or person during the period of the course are not covered by the inviting entity or any external entity, from which he or she did not receive cash amounts for such purpose, the amounts specified under Paragraph (2) of this Article shall be disbursed to him or her for each night he or she spends for the

purpose of performing the official course. The courses shall be disbursed, provided that they do not exceed one month.

- For the purposes of this Bylaw, foreign countries have been classified in terms of the allowances of courses into four categories, for each thereof a lump sum amount is disbursed, as follows:

Country category as per the table annexed to this Bylaw	Non-hosted courses in US dollars
A	280
B	250
C	220
D	190

- To be added to the allowances prescribed under Paragraph (2) of this Article shall be a sum of (20) US dollars for the Special Group, a sum of (15) US dollars for the First Group, and a sum of (10) dollars for the Second Group for each night of the course.
- If the training course extends from one to (14) days, the full allowances provided for under Paragraphs (2) and (3) of this Article shall be disbursed.
- If the training course extends over (14) days up to a month, the first (14) days shall be disbursed in accordance with Paragraph (4) of this Article, in addition to (60%) of the amount of the assignment for the remaining period up to a month.

Article (8) Hosted Courses in Terms of Accommodation

If the course is hosted in terms of accommodation (hotel), (45%) of the amounts prescribed under Paragraph (2) of Article (7) of this Bylaw shall be disbursed in accordance with the approved categories, in addition to the provisions of Paragraph (3) of Article (7) of this Bylaw, provided that the duration of the course does not exceed one month.

Article (9) Fully Hosted Courses

If the course is fully hosted, (25%) of the amounts prescribed under Paragraph (2) of Article (7) of this Bylaw shall be disbursed in accordance with the approved categories, in addition to the provisions of Paragraph (3)

of Article (7) of this Bylaw, provided that the duration of the course does not exceed one month.

Article (10) Transit or Intermediate Countries

1. The provisions of Articles (7), (8) and (9) of this Bylaw shall be applicable to transit countries, which are a necessary stop to arrive to the location of the official course.
2. The allowances provided for under Articles (7), (8) and (9) of this Bylaw shall be disbursed for one night only upon departure from the Authority-controlled territory and one night upon return thereto via an intermediate country. In special cases, however, the whole period of stay in the intermediate country shall be counted upon approval of the competent Minister.

Article (11) Transportation Allowance

1. An allowance of transportation from the place of residence to the location of the course and from the location of the course to the place of residence in the amount of (lump sum) (150) US dollars shall be disbursed to the employee or person. This shall be inclusive of airport taxes, visa fees, et cetera, with the exception of the visa fees which are paid in addition to the transportation allowance.
2. In the cases where actual transportation costs exceed the amount specified under Paragraph (1) of this Article, the actual costs shall be disbursed for the whole journey, on condition that the original payment vouchers are enclosed, and subject to the provisions of Article (5) of this Bylaw.

Article (12) External Official Assignments

Official Assignment that are not Fully Hosted

1. If living and accommodation expenses of the employee during the period of the assignment are not covered by the inviting entity or any external entity and he or she did not receive cash amounts for such purpose, the amounts specified under Paragraph (2) of this Article shall be disbursed thereto for each night he or she spends for the purpose of performing the official assignment.

2. For the purposes of this Bylaw, foreign countries have been classified in terms of the allowances of travel assignments into four categories as follows:

Country category as per the table annexed to this Bylaw	Non-hosted courses in US dollars
A	320
B	280
C	230
D	200

3. To be added to the allowances prescribed under Paragraph (2) of this Article shall be a sum of (40) US dollars for the Special Group, a sum of (20) US dollars for the First Group, and a sum of (10) US dollars for the Second Group for each night of the assignment.

Article (13) Fully Hosted Official Assignments

If the assignment is fully hosted, (25%) of the amounts prescribed under Paragraph (2) of Article (12) of this Bylaw shall be disbursed in accordance with the approved categories, in addition to the provisions of Paragraph (3) of Article (12) of this Bylaw.

Article (14) Hosted Official Assignments in Terms of Accommodation

If the assignment is hosted in terms of accommodation (hotel), (45%) of the amounts prescribed under Paragraph (2) of Article (12) of this Bylaw shall be disbursed in accordance with the approved categories, in addition to the provisions of Paragraph (3) of Article (12) of this Bylaw.

Article (15) Transportation Allowance

1. An allowance of transportation from the place of residence to the location of the assignment and from the location of the assignment to the place of residence in the amount of (lump sum) (150) US dollars shall be disbursed to the employee or person. This shall be inclusive of airport taxes, visa fees, et cetera, with the exception of the visa fees which are paid in addition to the transportation allowance.

2. In the cases where actual transportation costs exceed the amount specified under Paragraph (1) of this Article, the actual costs shall be disbursed for the whole journey, on condition that original payment vouchers are enclosed, and provided that the provisions of Article (5) of this Bylaw are taken into consideration.

Article (16) Allowance of Transit or Intermediate Countries

1. The provisions of Articles (12), (13) and (14) of this Bylaw shall be applicable to transit countries, which are a necessary stop to arrive to the location of the official assignment.
2. The allowances provided for under Articles (12), (13) and (14) of this Bylaw shall be disbursed for one night only upon departure from the Authority-controlled territory and one night only upon return thereto via an intermediate country. In special cases, however, the whole period of stay in the intermediate country shall be counted following approval of the competent Minister.

Article (17) Documents and Supporting Evidence of the Travel Assignment and Training Course

The allowance of the assignment and course shall be disbursed in accordance with the following documents and supporting evidence:

1. The Special Group: A letter of travel on an external assignment or training course to be issued forth by the person authorised of expenditure at the relevant department for the purposes of performing an official assignment, in which the intended country and duration of the official assignment or course are clearly designated, in addition to the nature of the official assignment or training course and the entity that sustains the costs.
2. The First, Second and Third Groups: The letter of assignment and approval issued forth by the competent Minister (or the person whom he authorises), provided that it includes the following:
 - a. Designation of the position grade of the person tasked with the official assignment or training course.

- b. Specification of the nature of the official assignment or training course in accordance with one of the following classifications:

- 1) Not fully hosted in terms of accommodation and cost of living.
- 2) Hosted in terms of accommodation.
- 3) Fully hosted in terms of accommodation and cost of living.

- c. Designation of the country of assignment.

- d. Designation of the date of commencement and end of the official assignment or training course.

3. The Special Group must submit a copy of the coordination letters and correspondence, which are exchanged with the external entity and travel destination, if any.

4. The First, Second and Third Groups must submit a copy of the invitation issued forth by the inviting entity.

5. Decision of the competent Minister (or the person whom he authorises) on the delegation of the employee or person to perform an official assignment or training course.

6. Photocopies of the passport, showing the stamps of entry and exit from airports or land border of the country, in which the official work assignment was performed, as well as the cities of transit in intermediate countries.

7. A copy of the electronic ticket.

8. In relation to training courses, all Special, First, Second and Third Groups must have the nature of the course clearly defined in the invitation in terms of hosting.

Article (18) Internal Official Work Assignments

One or all of the allowances listed under this Bylaw shall be disbursed to the employee or person, who is tasked with an official assignment inside the territory of the homeland.

Article (19) Cost of Living Allowance

The cost of living allowance shall be disbursed in accordance with the following conditions:

1. The following amounts for the cost of living allowance for each night spent in the location of the official assignment:
 - a. The Special Group (40) US dollars per night of accommodation.
 - b. The First and Second Groups (35) US dollars per night of accommodation.
 - c. The Third Groups (30) US dollars per night of accommodation.
2. Half of the amounts stated above shall be disbursed in the event the assignment is performed without accommodation.

Article (20) Allowance for Hotel Accommodation Cost

If accommodation expenses of the employee or person in hotels are not covered by the inviting entity or if he did not receive cash amounts for such purpose, the actual amount of the hotel invoice for a single room shall be disbursed, excluding room service, provided that it does not exceed (100) US dollars for all groups.

Article (21) Transportation Allowance

Transportation allowance of a maximum amount of (100) US dollars from the place of residence to the location of the assignment and from the location of the assignment to the place of residence shall be disbursed in each direction.

Article (22) Documents and Supporting Evidence of Internal Travel Assignments

Allowances of internal travel assignments shall be disbursed in accordance with the following documents and supporting evidence:

1. For the Special and First Groups: A decision to travel on an internal assignment to be issued forth by the person authorised of expenditure at the relevant department for the purposes of performing the official assignment, in which the location and duration of the assignment are designated, together with its purpose and the entity that sustains its costs.

2. For the Second and Third Groups: The letter of assignment and approval issued forth by the competent Minister (or the person whom he authorises), specifying the following:
 - a. Grade of the employee.
 - b. Nature of the assignment in accordance with the following:
 - 1) Not hosted in terms of accommodation and cost of living.
 - 2) Fully hosted in terms of hotel accommodation or hospitality houses.
 - 3) Fully hosted in terms of accommodation and cost of living.
 - c. A copy of the invitation issued forth by the inviting entity, if any.
 - d. Date of commencement and end of the internal assignment.
3. The original invoices of hotel accommodation.

Article (23) Disbursement of the Official Work Assignment Allowance prior to Travel

1. The full amount shall be disbursed (in the country of the assignment) to the person tasked with an official work assignment prior to travel.
2. The full amount shall be disbursed (in the country of the course) to the person assigned to a training course prior to travel.
3. The person delegated on an official work assignment or training course shall submit to the relevant department, to which the delegated person reports, the following:
 - a. Documents listed under Paragraphs (1) through (8) of Article (17) of the Bylaw for external assignments and training courses.
 - b. Documents listed under Paragraphs (1) through (3) of Article (22) of this Bylaw for internal assignments.
 - c. The assignment shall be settled within a maximum period of (14) days from

the date on which the employee or person returns to his or her work station.

Article (24) The Actual Cost of Accommodation on the Non-hosted Assignment

In the event the amount of hotel accommodation per night on the non-hosted official assignment or courses exceeds (65%) of the amount granted under this Bylaw, only the competent Minister may approve the whole actual cost of accommodation in addition to all other allowances provided for under Articles (8) and (14) of this Bylaw, after the documents thus proving are enclosed.

Article (25) Adjustment of Allowances

The Council of Ministers shall be entitled to adjust the allowances listed under this Bylaw from time to time based on the change of prices based upon a recommendation from the Minister.

Article (26) Repealing

The Decision of the Council of Ministers No. 41 of 2004 Concerning the Promulgation of the Bylaw on the Allowances and Expenses of Official Work Assignments, as well as anything that contradicts the provisions of this Bylaw, shall be repealed.

Article (27) Enforcement and Entry into Force

All competent authorities, each within the sphere of its jurisdiction, shall implement the provisions of this Bylaw, which shall enter into force as of the date of its promulgation and shall be published in the Official Gazette.

Promulgated in the city of Ramallah on September 27th, 2010 *Anno Domini*, corresponding to Shawwal 18th, 1431 *Anno Hegira*.

Salam Fayyad

Prime Minister

Decision of the Council of Ministers No. (11) of 2010 Concerning the Regulation on the Honoraria and Financial Entitlements of the Board Chairman and Members of the Palestinian Pension Authority

The Council of Ministers,

Having reviewed the Amended Basic Law of 2003 and its amendments, particularly Article (70) thereof;

Having reviewed the Law No. 7 of 2005 of Public Retirement and its Amendments, particularly Article (47) thereof; and

Based upon the recommendation of the Board of Directors of the Palestinian Pension Authority;

Based upon what the Council of Ministers approved in its session held in the city of Ramallah on May 16th, 2010;

Based upon the public interest considerations; and

Based upon the powers vested in it,

Hereby promulgates the following Regulation:

Article (1) Honorarium of the Board Chairman

The Board Chairman of the Palestinian Pension Authority shall earn a monthly honorarium in the amount of (US\$ 1,000) one thousand US dollars or the equivalent thereof in the legally valid currency. It shall be paid thereof for the period extending from the date of his or her tenure of office towards expiration the period of his or her membership on the Board of Directors.

Article (2) Honorarium of the Board Member

The Board member of the Palestinian Pension Authority shall earn a monthly honoraria in the amount of (US\$ 500) five hundred US dollars or the equivalent thereof in the legally valid

currency. It shall be paid thereto for the period extending from the date of his or her tenure of office towards expiration the period of his or her membership on the Board of Directors.

Article (3) Allowances and Expenses

The Board Chairman and members of the Palestinian Pension Authority shall be entitled to the allowances and expenses, to which the employees of the First Grade are entitled with regards to the allowances and expenses of official work assignments in accordance with the executive Bylaw on the Allowances and Expenses of Official Work Assignments.

Article (4) The Budget of the Palestinian Pension Authority

The honoraria, allowances, and expenses provided for under Articles (1, 2, and 3) of this Regulation shall be disbursed from the budget of the Palestinian Pension Authority. These may not be associated with any salaries, honoraria, allowances, or expenses which the members earn from any other body.

Article (5) Disbursement of the Honoraria Twice a Year

The honorarium provided for under Articles (1) and (2) of this Regulation shall be disbursed to the Board Chairman and members every six months.

Article (6) Public Sector Employees

For the purposes of benefiting from the provisions of this Regulation, the Board member from among public sector employees may not be represented on more than two boards of directors at the same time.

Article (8) Periodic Reports

The Board of Directors shall be committed to submitting periodic reports twice a year on its functions to the Council of Ministers.

Article (9) Repealing

Anything that contradicts the provisions of this Regulation shall be repealed.

Article (10) Enforcement and Entry into Force

All competent authorities, each within the sphere of its jurisdiction, shall implement the provisions of this Regulation, which shall enter into force as of the date of its promulgation and shall be published in the Official Gazette.

Promulgated in the city of Ramallah on May 16th, 2010 *Anno Domini*, corresponding to Jumada al Akhira 2nd, 1431 *Anno Hegira*.

Salam Fayyad

Prime Minister

Part Two:

**Financial Management and
Oversight of Palestinian Security
Agencies**

Chapter IV: Financial Management of Palestinian Security Agencies

Section A: Structure and Organisation of Palestinian Security Agencies (Excerpts from regulations on financial procedures)

1.a. Laws

Law No. 3 of 1998 on the Civil Defence

Article (4)

The management of the Directorate shall be assumed by a Director-General, who shall be responsible to the Minister for all technical, financial, and administrative aspects of the Civil Defence and shall directly supervise, within the limits of the laws and bylaws in force, the implementation of the orders, decisions, and instructions of the Minister and the Higher Civil Defence Council.

Article (19)

Pursuant to the provisions of Articles 16 and 17 of this law, the Directorate shall deal with the expenses of the actions and measures necessary for civil defence activities.

Article (20)

If the owners of real estate and buildings or occupants thereof do not implement the measures and activities delegated to them for civil defence purposes, the Directorate-General of Civil Defence shall implement the measures and activities at the owners' expense, and the expenses thereof shall be collected in the manner in which the public funds are collected.

Law No. 8 of 2005 on Service in the Palestinian Security Forces

Article (19)

The Committee of Officers shall be authorised to hear all matters and issues pertaining to the affairs of officers, particularly the following:

1. Commencement of the appointment of officers in the Security Forces.
2. Promotion.
3. Transfer to provisional retirement or termination of service and acceptance of resignation.
4. Dispensing with service.
5. Re-enlistment in the Security Forces or transfers therefrom.
6. Recommendations to grant officers decorations, badges and medals.
7. Selection of members of military missions from among candidates nominated thereto.
8. Licensing of officers in secondment or educational leaves pursuant to the relevant rules and regulations.
9. Determination and redemption of seniority.
10. Appointment of officers to command positions and staff and other main functions.
11. Appointment of officers ranking Brigadier-General and Colonel in various functions.
12. Delegation of officers of various ranks outside of their units.
13. Transfer of officers from one force to another within the Security Forces.
14. Selection of officers recommended for studying at the Staff College or for any other studies.
15. Recalling of officers whose services have expired, reserve officers and assigned persons for active service, in addition to their promotions or the deletion of their names from the Register of the Security Forces.

Law No. 17 of 2005 on the General Intelligence

Article (7)

1. The Head of Intelligence shall assume the authority of supervising the activities of the Intelligence and its members. He may establish necessary committees and issue decisions and orders required for the regulation of the progress of work and the ensurement of good performance.
2. The Head of Intelligence shall be accountable to the President or the person whom he may authorise to maintain the confidentiality of the work of the Intelligence, the information and the means of accessing it, and its sources. Investigations or information of the Intelligence may not be viewed, except by a special permission of the President or the person whom he may authorise.
3. The Head of Intelligence shall notify the President or the person whom he may authorise of all matters of significant or urgent nature.
4. Pursuant to the provisions of the law, the Intelligence shall have its own independent budget, which shall be included as one figure within the General Budget of the State. The Intelligence shall manage its own budget and expend from it under the supervision of the President.
5. The Legislative Council shall form an ad hoc-committee of three (3) members that shall assume the discussion and approval of the budget of the Intelligence, as part of the approval of the General Budget.
6. A financial controller shall be appointed in the Intelligence by the President and upon the nomination of the Head of Intelligence. The financial controller shall be responsible for reviewing the items of

expenditure, have direct supervision over the auditing of accounts, and ensure that they are sound.

Article (18)

1. The Head of Intelligence shall be responsible for preparing the Intelligence's annual budget and submitting it to the President for approval.
2. The Head of Intelligence shall issue the decisions which include the bases and procedures pertaining to the implementation of the items of the budget for the purposes designated thereto. He shall have the power to disburse confidential expenditures in the manner which he decides without abiding by the bylaws and decisions applicable to other governmental agencies. All the items and procedures related thereto shall be deemed confidential.

Article (19)

The Head of Intelligence shall prepare a regulation for purchases which shall conform to the nature of the function of the Intelligence, which regulation is subject to approval by the President. The Head of Intelligence shall have the full power to enforce it.

Article (33)

The Legislative Council, through its ad hoc-committees, shall have the right to hold the Head of Intelligence accountable.

1.b. Presidential Decrees

Decree Law No. 11 of 2007 on the Preventive Security*

Article (5)

1. The Director-General shall supervise the functions of the Directorate-General of the Preventive Security and its employees, as well as the formation of all necessary work committees. The Director-General may delegate some of his capacities to his Deputy.
2. The Director-General shall be accountable to the competent Minister and the Director-General of Internal Security in his function, including preserving the confidentiality of the Directorate-General of the Preventive Security and its activities.

Section B: Institutions Competent of Financial and Administrative Control of Palestinian Security Agencies

1. Executive Decisions

Decision No. 7 of 1998 on the Incorporation of the Economic Consumer Establishment of the Public Security Forces and Police

Article (7) Functions of the Board of Directors

The Board shall be tasked with the following functions:

1. Plan general policies of the Establishment.
2. Control the investment of the Establishment's properties.
3. Determine the types of goods and supplies, in which the Establishment deals.
4. Establish inventory committees and any other committees it deems necessary.
5. Approve the annual budget of the Establishment.
6. Dispose of the invalid, damaged or unsold goods in any manner it deems fit.
7. Approve the proper method to provide the Establishment with the goods and supplies it needs.
8. Open and close any bazaar or shop as it deems fit.
9. Submit recommendations to the President of the Palestinian National Authority in regard of the disposition of profits.
10. Examine the complaints and proposals submitted by beneficiaries.
11. Any other functions stipulated in this Decision.

Article (13) Functions of the Director General

The Director General shall be tasked with the following functions:

1. Monitor the functions and manage the affairs of the employees.
2. Ensure the availability of the goods and supplies needed by the Establishment, and inform the President of all shortages with a view to presenting the matter to the Board of Directors to make the appropriate decision thereon.
3. Recommend to the Board the establishment of inventory committees.
4. Control the disposition of goods and supplies at the Establishment in line with their antecedence and submit a detailed report to the Board of Director on all the goods and supplies, the disposition of which is noticed to have been receding, in order to make the appropriate decision thereon.
5. Prepare the draft annual budget and present it to the Board of Directors.
6. Control the accounts and books stipulated in this Decision or the instructions thereby issued forth.
7. Establish committees for the receipt of goods and supplies dispatched to the Establishment.

Presidential Decree No. 12 of 2002 Concerning the Incorporation of the Police, Preventive Security, and the Civil Defence Forces to the Ministry of Interior

The Chairman of the Executive Committee of the Palestine Liberation Organisation,

The President of the Palestinian National Authority,

Having reviewed the *Law No. 3 of 1998 of Civil Defence*,

Having reviewed the *Presidential Decree No. 4 of 2002 Concerning the Amendment of Presidential Decree No. 2 of 1998 Concerning the Formation of the Council of Ministers*,

In accomplishment of the public interest, and

Based upon the powers bestowed upon me,

I hereby promulgate the following decree:

Article (1)

1. The Police Forces, the Preventive Security, and the Civil Defence, including all of their agencies and departments, shall be attached to the Ministry of the Interior.
2. All funds, properties and equipment belonging to the Police Forces, the Preventive Security, and the Civil Defence shall be attached to the Ministry of the Interior and shall devolve thereto.

Decision of the Council of Ministers No. 76 of 2006 Concerning the Public Commission for the Retirement of Military Personnel

Article (2)

The calling of the Public Commission for the Retirement of Military Personnel to convene and to find the appropriate solutions and means to lift the financial burden of the Ministry of Finance and refer it to the Public Commission for the Retirement of Military Personnel.

Decision of the Council of Ministers No. 11 of 2007 Concerning the Separation of the Public Financial Department of the Ministry of Interior from the Central Financial Department of the National Security Forces

The Council of Ministers,

Having reviewed the Law No. 8 of 2005 of Service in the Security Forces;

Based upon the recommendation of the Minister of Interior and National Security; and

Based upon what the Council of Ministers approved in its session held in the cities of Gaza and Ramallah on February 14th, 2010 under No. (6/42/10);

Hereby promulgates the following Decision:

Article (1) Separation of the Financial Department

The Financial Department of the Ministry of Interior shall be separated from the Central Financial Department of the National Security Forces.

Article (2) Execution, Entry into Force and Publishing

All competent authorities, each within the sphere of its jurisdiction, shall implement the provisions of this Decision, which shall enter into force as of the date of its promulgation and shall be published in the Official Gazette.

Promulgated in the city of Gaza on February 14th, 2007 *Anno Domini*, corresponding to Muharram 26th, 1428 *Anno Hegira*.

Isma'il Haniyyah

Chairman of the Council of Ministers

Decision No. 237 of 2007 on the Endorsement of the Organisational Structure of the Central Financial Department

The Chairman of the Executive Committee of the Palestine Liberation Organisation,

The President of the Palestinian National Authority,

The Higher Commander of the Palestinian Forces

Having reviewed the Amended Basic Law of 2003 and its amendments;

The Law No. 8 of 2005 of Service in the Palestinian Security Forces;

Based upon the powers vested in us; and

And based on the public interest considerations;

We hereby promulgate the following Decision:

Article (1) Endorsement of the Organisational Structure

The organisational structure of the Central Financial Department, which is attached to this Decision, shall be endorsed.

Article (2) Execution, Entry into Force and Publishing

All competent authorities, each within the sphere of its jurisdiction, shall implement the provisions of this Decision, which shall enter into force as of the date of its promulgation.

Promulgated in the city of Ramallah on April 10th, 2007 *Anno Domini*, corresponding to Rabi' al Awwal 22nd, 1428 *Anno Hegira*.

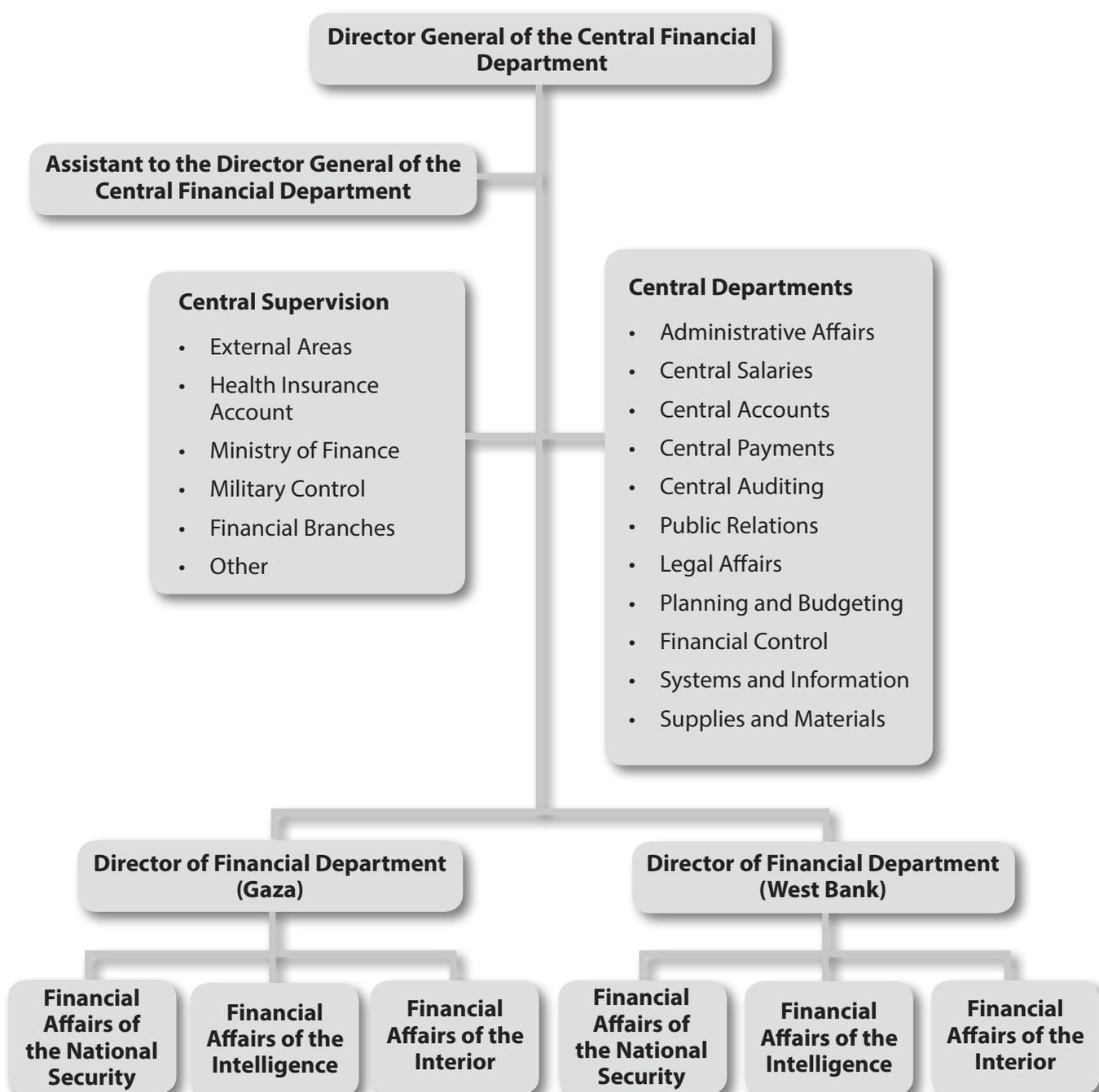
Mahmoud Abbas

Chairman of the Executive Committee of the Palestine Liberation Organisation

President the Palestinian National Authority

Higher Commander of the Palestinian Forces

Table (1): Organisational Structure of the Central Financial Department



Decision No. 288 of 2007 Concerning the Establishment of Committees for Conforming the Personnel of the Palestinian Security Forces to the Qualification Conditions

The Chairman of the Executive Committee of the Palestine Liberation Organisation,

The President of the Palestinian National Authority

Having reviewed the Amended Basic Law of 2003 and its amendments;

The Law No. 8 of 2005 of Service in the Palestinian Security Forces;

Based upon the recommendation of the Council of Ministers dated August 6th, 2007;

Based upon the powers vested in us; and

And based on the public interest considerations,

We hereby promulgate the following Decision:

Article (1) Establishment of the Committees

The establishment of committees from the Military Intelligence, Military Medical Services, and the security agency concerned for conforming the personnel of the Palestinian security forces to the conditions of qualification and physical fitness. They shall perform the following tasks:

1. Make sure that personnel of the Palestinian security force satisfy the legal conditions and the conditions of qualification and physical fitness, which qualify them to work in the security agencies.
2. List the personnel of the security forces, who are present abroad, and offer opinion regarding the termination of illegal services.

3. List the personnel of the security forces who are not effectively on the job.

4. List the personnel of the security forces who are delegated and seconded to bodies or institutions outside their duty stations.

Article (2) Report of the Committee

The Committee shall submit its report to the Prime Minister within a maximum period of thirty days as of the prescribed date.

Article (3) Repealing

Anything that contradicts the provisions of this Decision shall be repealed.

Article (4) Execution, Entry into Force and Publishing

All competent authorities, each within the sphere of its jurisdiction, shall implement the provisions of this Decision, which shall enter into force as of the date of its promulgation and shall be published in the Official Gazette.

Promulgated in the city of Ramallah on August 11th, 2007 *Anno Domini*, corresponding to Rajab 28th, 1428 *Anno Hegira*.

Mahmoud Abbas

Chairman of the Executive Committee of the Palestine Liberation Organisation

President of the Palestinian National Authority

Chapter V: Procedures of Procurements in the Palestinian Security Agencies

1. Executive Decisions

Decision of the Council of Ministers No. 136 of 2004 Concerning the Importation and Sale of Military Equipment

The Council of Ministers,

Having reviewed the Amended Basic Law;

Based upon the recommendation of the Secretariat General of the Council of Ministers; and

Based upon what the Council of Ministers approved in its session held in the city of Ramallah on March 15th, 2004 under No. (10/15);

Hereby promulgates the following Decision:

Article (1) Restriction on the Sale and Importation of Military Equipment

It shall be forbidden to import or sell new or used military apparel, as well as military badges and logos of any type inside the territory of the Palestinian National Authority except on the basis of a prior permission from the competent authorities in the National Authority.

Article (2) Prohibition of Putting on or Carrying Similar Uniforms

Individuals, other than those permitted, shall be forbidden from putting on or carrying in public apparel, uniforms or badges that are identical or similar to those approved to be used by the Palestinian security agencies.

Article (3) Follow up on Enforcement

The Ministry of Interior must follow up on the enforcement of this Decision.

Article (4) Execution, Entry into Force and Publishing

All competent authorities, each within the sphere of its jurisdiction, shall implement the provisions of this Decision, which shall enter into force as of the date of its promulgation and shall be published in the Official Gazette.

Promulgated in the city of Ramallah on March 15th, 2004 *Anno Domini*, corresponding to Muharram 24th, 1425 *Anno Hegira*.

Ahmed Qurei'

Chairman of the Council of Ministers

Decision No. 4 of 2007 Concerning the Promulgation of the Regulation on Supplies and Purchases of the Palestinian General Intelligence

The Chairman of the Executive Committee of the Palestine Liberation Organisation,

The President of the Palestinian National Authority,

Having reviewed the *Law No. 17 of 2005 on the General Intelligence*, particularly Article 19 thereof,

Based upon what the Head of the Palestinian General Intelligence prepared,

Based upon the powers bestowed upon me, and

In accomplishment of the public interest,

I hereby promulgate the following regulation:

Article (1): Definitions

The following terms and expressions mentioned under this regulation shall have the meanings specified hereunder, unless the context provides otherwise:

President:	The President of the Palestinian National Authority.
Intelligence:	The Palestinian General Intelligence.
Head of Intelligence:	The Head of the Palestinian General Intelligence.
Director of the Unit:	The Director of the Unit of Supplies and Purchases at the Intelligence.
Accountant:	Any official who is assigned to receive, preserve and spend the funds of the Intelligence, or any official who assumes

a financial or monetary responsibility that arises from his performance of financial, accounting or administrative functions at the Intelligence, or that is associated with his duties thereat.

Bank: The bank which is accredited by the Intelligence in accordance with the provisions of this regulation.

Committee: The Committee of Tenders and Purchases at the Intelligence.

Supplies: The movable properties belonging to the Intelligence and which require insurance and maintenance thereof, including books, documents, files, warehouses, furniture, materials, vehicles, office equipment, computers, weapons, ammunition, etc.

Maintenance and services:

- The maintenance of the buildings of the Intelligence.
- The maintenance of the equipment and tools of the Intelligence.
- Any constructional or structural works or other services which the Intelligence needs for the implementation of its functions and the achievement of its objectives in accordance with the decisions of the Head of Intelligence.

Article (2)

The Director of the Unit at the Intelligence shall be vested with the following responsibilities: To provide supplies through communication with external and internal sources for the procurement of supplies, perform the works required for the Intelligence, as well as supervise, deliver, examine, audit, register and store them in their warehouses, insure and coordinate them, secure their maintenance, inventory, distribution, and monitor the disposition thereof.

Article (3)

First:

The Head of Intelligence shall be entitled to agree to the purchasing of supplies, the total price of which does not exceed one thousand (1,000) US Dollars or the equivalent in legal tender, as well as the implementation of works, the costs of which do not exceed such amount in the manner which he deems fit.

Second:

1. On an annual basis, the Head of Intelligence shall form a 'Committee on Purchases and Tenders' to be composed of:
 - a. The Director of the Unit as Chairman
 - b. The Accountant as Member
 - c. A representative of the Department/Relevant Division as Member
 - d. A representative of the Technical (Engineering) Department as Member
2. The Committee on Purchases and Tenders shall assume the following specialisations:
 - a. Purchase supplies, the price of which is between one hundred (100) and five hundred (\$500) US Dollars or the equivalent in legal tender, as well as implement works, the costs of which do not exceed five hundred (\$500) US Dollars.
 - b. Purchase supplies, the value of which exceeds five hundred (\$500) US Dollars and is less than two thousand and five hundred (\$2,500) US Dollars

or the equivalent in legal tender, and implement the works, the costs of which are within such amount via a request for price quotations in the manner which the Committee deems fit.

- c. Purchase supplies, the value of which exceeds two thousand five hundred (\$2,500) US Dollars or the equivalent in legal tender, and implement the works, the costs of which exceed such amount via tenders through the announcement in local newspapers.
- d. The Director of the Unit shall keep registers, records and files pertinent to tenders; complete all relevant transactions; verify the correctness of the announcements and tender forms, as well as their duration and attachments; and ensure the publication of the announcements in newspapers prior to the opening of auctions.

Article (4)

A person authorised by the Head of Intelligence from among the officials of the Intelligence shall be entitled to purchase supplies, the price of which does not exceed five hundred (\$500) US Dollars or the equivalent in legal tender in the manner that he deems appropriate, in accordance with the directives which the Head of Intelligence may issue in this regard.

Article (5)

Supplies shall be procured and works be implemented under general conditions which the Committee shall put forward for such purposes. It shall also coordinate the manner of payments, receipt, delivery, entry, extension of the duration, fines, guaranties, and all else that is relevant in this regard.

Article (6)

The Committee shall announce the invitation for tenders of supplies and works no fewer than fifteen (15) days before the date of the tender. Such period may be reduced to seven (7) days as circumstances may require. The announcement shall appear in at least two daily newspapers and, if the Chairman of the Committee on Purchases and Tenders

deems necessary, in any other means of announcement, whether internal or external, provided that the announcement states the nature of the required supplies, the deadline for the submission of bids, the date of the opening of the bids, the amount of insurances, and such other conditions or information which the Committee on Purchases and Tenders deems appropriate.

Article (7)

The bids shall be deposited at the Intelligence in sealed envelopes on which the number of the invitation for the tender, the subject of the tender, and the name of the bidder shall be stated. Any participant in the tender may withdraw his bid by a memorandum deposited in the tender box prior to the deadline allotted for the opening of the tender.

Article (8)

The participant shall attach a bank guaranty or a certified checknote in an amount of not less than five (5%) percent of the value of the tender or in proportion to the value provided in the tender (the preliminary insurance) for good implementation. Any bid which is not supported by such insurances shall not be considered.

Article (9)

Upon the expiration of the allotted period for the submission of bids, the tenders shall be opened in the presence of at least three (3) members of the Committee on Purchases and Tenders. Each submitted bid shall be read and signed by the present members. A conclusion of such bids shall be drawn up, in which the name of the bidder, the amount of the insurance, and such other information which the Committee deems appropriate and expedient shall be stated. Participants in the tender may attend such session.

Article (10)

The Committee on Purchases and Tenders may not examine a tender if there are fewer than three (3) submitted bids. In such a case, the bids shall be returned without being opened, and the tender shall be announced once again. The Committee may view the tender and take the appropriate decision thereon regardless of the number of bids submitted following the second announcement.

Article (11)

1. With reference to the other paragraphs under this Article, the quotation with the lowest price shall be admitted, provided that such a price is suitable and that the Committee on Purchases and Tenders is convinced of the competence and propriety of its applicant. If the prices, conditions, specifications and delivery dates among the bids received are equal and the Committee does not find a reason for preference, the awarding shall be conducted on an equal basis among the bidders. If this is impossible, the awarding shall be given to one of them by means of a lot in the presence of the bidders.
2. The Committee on Purchases and Tenders shall be entitled not to award the tender to the bidder offering the lowest price, provided that it includes in the decision the reasons therefor.
3. If the Committee on Purchases and Tenders finds that the prices submitted are high and do not conform to the estimations set forth for the supplies or works, it shall be entitled to take any of the following procedures:
 - a. Negotiate with the bidder of the lowest price to lower further the price offered.
 - b. Cancel the tender and negotiate with those who took part in it, as well as with others, to obtain a lower price and give a concession on the supplies or works in accordance with it.
 - c. Re-invite for the tender.
4. The Committee on Purchases and Tenders shall announce the decision of each award on the designated board at the Intelligence at least two (2) days prior to its certification. The bidders shall have the right to challenge the decision. If the viewpoint of the challenging bidder is not considered, the Committee shall state the relevant reasons in a memorandum to be attached to the decision upon its referral for certification.

Article (12)

The Committee on Purchases and Tenders may elect not to open the tender on the allotted

deadline and postpone it for a period of time not to exceed one (1) week, provided that it states in its decision the reasons for each postponement.

Article (13)

Bids that are not signed by their applicants or by their proxies, as well as those submitted after the allotted deadline, shall not be admitted.

Article (14)

No official at the Intelligence may take part in any tender Intelligence. In addition, he may not purchase any supplies or be given a concession to any work pertinent thereto.

Article (15)

1. Upon the awarding of the tender, the submitted samples shall be kept, along with the admitted tender, by the Director of the Unit. The other samples are to be returned to their owners.
2. The Director of the Unit shall keep the insurance submitted by the bidder to whom the tender is awarded. The other insurances shall be returned to their owners against their signatures. This shall be conducted following the certification of the awarding decision.
3. Following the certification of the awarding decision, the person to whom the tender is awarded shall be notified of the decision against his signature on the designated notification form no later than one (1) week from the date of certification.

Article (16)

If the bidder to whom the tender is awarded abstains from signing or implementing the tender or is tardy in delivering the supplies or performing the works or any part thereof on the prescribed deadline, or infringes any condition of the tender, or if it has been proven to the Committee on Purchases and Tenders that the bidder has delivered supplies to the Intelligence or rendered services or works that do not conform to the specifications of the tender, the Committee may take any or all of the following actions, upon the approval of the Head of Intelligence and without need to issue a notice or warning:

1. Seize the insurances and register them as revenues for the account of the Intelligence.
2. Purchase the supplies from the market at the current price or perform the works in the manner which it deems to be proper and include in the tender the spread of the price and costs or award the tender to the person who follows him in the price if he accepts and incurs the spread of the price or costs on the declining bidder, in addition to obliging the bidder to compensate the Intelligence for any damage or impairment that may result from his declining.
3. Deprive the bidder from taking part in the tenders of the Intelligence.

Article (17)

No supplies may be purchased, works be performed, or commitments be made regarding any expenditures for which appropriations on the annual budget of the Intelligence are not earmarked.

Article (18)

The Committee on Purchases and Tenders shall be entitled to invite for tenders to periodic procurement of supplies or implementation of particular works within a limited period of time. The provisions under this regulation shall be applicable to such tenders.

Article (19)

If the purchasing of supplies from local markets is impossible, or it is established that the interest of the Intelligence requires that they not be purchased from such markets, they may be purchased from external markets based upon the recommendation of the Committee on Purchases and Tenders in accordance with the following provisions and powers:

1. By the decision of the Head of Intelligence and through a committee of two (2) Intelligence officials, if the value of the supplies to be purchased is less than five thousand (\$5,000) US Dollars or the equivalent in legal tender.
2. By the decision of the Head of Intelligence and through a committee of at least three (3) Intelligence officials, if the value of the

supplies to be purchased exceeds five thousand (\$5,000) US Dollars.

Article (20)

The Director of the Unit shall keep the necessary registers, records, and cards in accordance with the most up-to-date methods adopted in the administration of supplies and the regulation of warehouses.

Article (21)

The supplies shall be entered into the warehouses of the Intelligence and brought out in pursuance of inventory forms to be signed by the relevant persons.

Article (22)

Scratches, erasing, or crossing through the data in books, registers, requests, or documents relating to the supplies are not allowed. The necessary modification shall be conducted using red ink and signed by the person who conducts it, in addition to the signature of the person who delivers and receives the supplies on the register of which the error occurred.

Article (23)

1. Supplies exceeding the need of the Intelligence or those which are invalid may be sold by the Committee on Purchases and Tenders upon the decision of the Head of Intelligence and based upon the recommendation of the Director of the Unit, provided that the sale is conducted in a public auction, unless the Committee finds by a justified decision that the interest of the Intelligence necessitates that another method be used in selling such supplies and materials. The price shall be recorded in the accounts of the Intelligence under Miscellaneous Receipts.
2. Invalid and un-salable supplies or those missing, the original value of which does not exceed five hundred (\$500) US Dollars or the equivalent in legal tender, shall be damaged and their value crossed by the decision of the Head of Intelligence and based upon the recommendation of the Director of the Unit. If the original value of the supplies exceeds five hundred (\$500) US Dollars or the equivalent in legal

tender, an approval from the President must be obtained.

3. The process of damaging shall be conducted by a committee to be formed by the Head of Intelligence.
4. Supplies may not be damaged except when their selling is impossible or an interest to damage them exists.

Article (24)

An annual inventory of the warehouses shall be conducted by a committee to be appointed by the Head of Intelligence for this purpose. He shall also be entitled to establish an ad-hoc committee to conduct the inventory whenever he deems necessary.

Article (25)

The Head of Intelligence may seek assistance from experts and specialists so as to offer advice and consultation on any of the functions of the committees working on tenders and purchases.

Article (26) General Provisions

The Head of Intelligence shall issue forth the instructions and decisions necessary for the implementation of this regulation.

Article (27)

Every provision that contradicts the provisions of this regulation is hereby repealed.

Article (28)

All competent authorities, each one within its sphere of jurisdiction, shall implement the provisions of this regulation, which shall enter into force as of the date of its publication in the *Official Gazette*.

Issued in the city of Ramallah on 15 January, 2007 AD, corresponding to 26 Thu al Hijja 1427 AH.

Mahmoud Abbas

Chairman of the Executive Committee of the Palestine Liberation Organisation

President of the Palestinian National Authority

Decision No. (5) of 2007 Concerning the Promulgation of the Financial Regulation of the Palestinian General Intelligence

The Chairman of the Executive Committee of the Palestine Liberation Organisation,

The President of the Palestinian National Authority,

Having reviewed the Law No. (17) of 2005 on the General Intelligence, particularly Article (36) thereof;

Based upon what the Head of the Palestinian General Intelligence prepared; and

Based upon the powers bestowed upon us,

We hereby promulgate the following Regulation:

Article (1) Definitions

The following words and expressions mentioned under this Regulation shall have the meanings ascribed thereto hereunder unless the context requires otherwise:

The President:	The President of the Palestinian National Authority.
The Intelligence:	The Palestinian General Intelligence.
Head of the Intelligence:	The Head of the Palestinian General Intelligence.
Officer of Financial Affairs:	The person who is in charge of the financial affairs at the Palestinian General Intelligence.

Article (2) Head of the Intelligence

1. The Head of the Intelligence shall be answerable to the President in his capacity as the paymaster thereat. When necessary,

he may authorise staff of the Intelligence, each with the scope of their specialisation, to exercise a portion of such power, in accordance with the provisions of this Regulation.

The Head of the Intelligence shall in particular assume the following duties:

- a. Take the measures necessary for the smooth running of the financial management of the Intelligence and implement the prescribed financial rules and regulations.
- b. The optimal economic utilisation of the Intelligence resources.
- c. The financial functionaries shall be responsible for the enforcement of the provisions of this Regulation as well as the decisions and instructions issued forth by the Head of the Intelligence in implementation of such provisions.
- d. The detailed capacities of the financial officers at the Intelligence and the manner of exercising such capacities shall be defined in instructions to be issued forth by the Head of the Intelligence.

Article (3) The Budget

1. The budget is the financial programme of the Intelligence to achieve the goals specified in the framework of the general plan which the Head of the Intelligence decides.
2. Upon the approval of the budget, it shall be deemed effective for a period of one financial year. It shall commence on the first day of the month of January and

expire on the last day of the month of December of the same year.

3. The revenues and expenses of the budget shall be estimated in the American dollar or the equivalent thereof in the local currency.

Article (4) Depositing of the Intelligence Funds

All the funds appropriated for the Intelligence shall be deposited in the accounts of the Intelligence according to the type of currency.

Article (5) Preparation of the Budget

1. The budget shall be prepared as per the typical classification of the aspects of the Intelligence activity, by charging on the basis of chapters, items, programmes, and projects as is described in the Annex.
2. The uses of the budget shall be divided into particular chapters, items, programmes, and projects in accordance with their consistent purposes. Annexes, explanatory notes, a summary statement of the total budget and net expenditure, as well as other detailed statements which the Head of the Intelligence deems necessary and expedient shall be attached thereto.
3. Some appropriations may be included in the budget in gross terms without adherence to the divisions stated under Paragraph (1) above, for special considerations of undisclosed (secret) expenditures to be decided by the Head of the Intelligence.

Article (6) Preparation of the Draft Budget

1. The Head of the Intelligence shall issue forth a circular that includes the bases and principles with which the departments, sections, directorates and other parties at the Intelligence must comply upon the preparation of preliminary estimates for their budget, based on the goals required to be achieved.
2. The departments, sections, and directorates at the Intelligence shall prepare the preliminary estimates for their expenses taking in account the actual results of the implementation of the previous budget, and on the basis of the

plan set forth for the achievement of the required goals.

3. The officer of financial affairs shall prepare the draft budget of the Intelligence, after having studied the estimates presented thereto by the various departments, sections and directorates and coordinate between them in the form of a consolidated draft budget, in accordance with the types of division mentioned in Paragraph (2) under Article (5) above, to be supported by all data necessary to justify each required appropriation.
4. The draft budget of the ensuing year shall be sent at least three months prior to the end of the present year to the Head of the Intelligence, accompanied by the explanatory notes, analytical studies of the expenses figures and a comparison against the figures of the previous period and the actual expenditure therefrom.
5. The Head of the Intelligence shall present to the President the draft budget of the new financial year for approval in accordance with what he deems fit in a special session prior to the end of the financial year.

Article (7) Operation in Line with the Budget of the Previous Year

In the event the draft public budget law is not approved by the beginning of the new financial year, work shall be conducted in accordance with the budget of the previous financial year within the limits of the appropriations included thereon without taking into consideration the new appropriations until the draft public budget law of the new financial year is approved. In this case, disbursement shall take place from the public or special reserve within the limits of a portion of twelve portions of such appropriations on a monthly basis. The amounts disbursed from the public or special reserve shall be reinstated thereto upon the approval of the budget.

Article (8) Financing of the Intelligence Budget

The budget of the Intelligence shall be financed through the allocations which are appropriated thereto on the public budget of the State.

Article (9) Opening Accounts for Revenues

1. A general account shall be opened for revenues and expenses.
2. No particular revenue may be allocated for a specific use, except in accordance with the provisions of this Regulation or in the cases on which a decision is issued by the Head of the Intelligence and after the approval of the President. In this case, an account shall be opened for each revenue item. Appropriations shall also be allocated thereto, subject to the effective rules.

Article (10) Establishment of Funds

1. By a decision from the Head of the Intelligence, funds the resources of which are to be allocated for certain uses may be established in accordance with special regulations on such funds, to be accredited by the Head of the Intelligence.
2. The management of special accounts and funds shall be subject to the financial rules adopted in the public account. The accounts and funds of the undisclosed (secret) expenditures shall be excluded therefrom.
3. The management of the accounts and funds of the undisclosed (secret) expenditures shall be subject to the immediate responsibility of the Head of the Intelligence.

Article (11) Prohibition of Exceeding Appropriations

1. Appropriations may not be transferred from a chapter to another nor may the appropriations allocated for any of these be exceeded, except following the agreement of the Head of the Intelligence and approval of the President.
2. When necessary, the Head of the Intelligence may exchange items, programmes and projects within a single chapter, provided that they do not exceed 25% of the appropriations originally prescribed for the same item, and that this does not lead to exceeding the total amount of the budget or deviate from the general framework of the decided work plan and its objectives.

3. Disbursement from the chapter on the undisclosed (secret) expenses shall be conducted by a decision from the Head of the Intelligence.

Article (12) Prohibition of Concluding Loans in the Name of the Intelligence

Loans may not be concluded in the name of the Intelligence nor a commitment be made to obligations that result in the expenditure for a period of time exceeding the term of the budget, except upon agreement of the Head of the Intelligence and approval of the President.

Article (13) Financial Affairs

All departments, sections, and directorates must consult with the Financial Affairs on the procedures which may result in a financial obligation, prior to the approval of such procedures by the Head of the Intelligence.

Article (14) Null Knowledge of Appropriations

1. With the exception of the provision in Paragraph (2) below, knowledge of the appropriations listed on the budget for salaries, indemnities, remunerations and public expenses as well as those which were not disbursed until the end of the financial year shall be null. Any unpaid liability shall be included within the new financial year and it shall have the priority in disbursement.
2. The appropriations of the programmes and projects which were not disbursed until the end of the financial year shall be added to the account of trusts for disbursement therefrom to complete the implementation of such programmes and projects.

Article (15) Tasks of the Officer of Financial Affairs

1. The officer of financial affairs and subordinate functionaries shall be answerable to the Head of the Intelligence in regard of the accounts of the Intelligence, its financial transactions and relevant registers. They must also preserve the funds of the Intelligence. The officer of financial affairs shall select the accounting

method which suits the function of the Intelligence and present it to the Head of the Intelligence for approval.

2. In order to achieve the goals required in Paragraph (1) above, the officer of the financial affairs shall implement the following tasks:
 - a. Design receipt and disbursement vouchers in a manner that is consistent with the nature of the Intelligence operation, in accordance with the recognised accounting and financial rules and in conformity with the financial and legal aspects.
 - b. Regulate the accounting registers and records in a manner with which the creditorship, indebtedness and assets can be extracted as well as the trial balance, financial statements and reports, subsidiary budgets and balance sheet in an accurate, recognised accounting form.
 - c. Present all accounts along with the necessary facilities to the financial controller of the Intelligence.
 - d. Issue the balance sheet, including all its attachments, on the allotted time.
 - e. Not change the form or content of any document or book except upon the approval of the Head of the Intelligence.
 - f. Develop monthly, quarterly, and closing account statements and data in conformity with the instructions of the Head of the Intelligence and in accordance with the work requirements.
 - g. Develop annual estimative budgets, have them approved by the Head of the Intelligence, and prepare them for presentation to the President.
 - h. Prepare a quarterly balance sheet, provided that such balance sheet and its attachments are ready two weeks from the date of the end of each quarter of a year, including proposals and observations, and submit the same to the Head of the Intelligence.
 - i. Supervise all financial affairs as well as functionaries working at the financial

department and those subordinates thereto at the directorates and issue the applicable instructions necessary for the smooth progress of work.

- j. Take the precautions, measures, and control methods necessary to protect the Intelligence funds, financial registers and properties in order to prevent any manipulation, embezzlement, or negligence.
- k. Present the balance sheet to the financial controller within the first quarter of the ensuing year.
- l. Carry out any financial functions assigned thereto by the Head of the Intelligence in a manner that does not contravene the provisions of this Regulation.

Article (16) Tasks of the Accountant

1. The accountant shall be subject to the instructions prescribed thereto by the competent bodies. Thereupon, he or she shall perform the following tasks:
 - a. Perform accounting functions, in terms of registration, posting and extracting of the trial balance, in addition to developing subsidiary budgets and balance sheet as he or she is requested, in a timely manner and based upon the accounting methods and techniques known to and certified by the Intelligence.
 - b. Ensure that all registers and instruments are valid and that any payable amounts are consistent with the instructions of the Intelligence and complete from a legal and an accounting perspective.
 - c. The accountant shall be entrusted with all financial instruments and cash funds in his or her possession, and must:
 1. Submit a legal guarantee to the legal advisor of the Intelligence which establishes his or her responsibility of such trust.
 2. Comply with the instructions issued thereto by the competent parties in relation to his or her function, whether in regard of the

- books, disbursement vouchers, and receipt vouchers or any other information requested from him or her.
3. Maintain a serial copy of the numbers of all receipt vouchers and disbursement vouchers. He or she must also submit them for review whenever he or she is thus requested.
 4. Assume the processes of receipt and disbursement based on the approved receipt and disbursement vouchers. In addition, he or she shall be responsible and accountable for any differences or spreads resulting from his or her mistake. If any, such differences and spreads shall be received from him or her through appropriate legal methods.
 5. Assume the auditing of receipt and disbursement transactions and report any error therein, whether a decrease or an increase, which he or she observes, to the financial officer in order to take the proper decision and action in this regard.
3. The disbursement voucher and cheque shall be examined before they are paid by the officer of financial affairs and accountant and each person concerned with the issuance of such voucher. It shall be signed so as to state the legality of the disbursement thereof as well as the consistency thereof with the financial regulations applicable at the Intelligence and under the responsibility of each one of them.
 4. Under the supervision and signature of the officer of financial affairs, the competent employee shall sign beside each modification that is made to the disbursement voucher and the documents attached thereto with red ink.
 5. The value of the voucher shall be paid to the entitled person or his or her legal attorney against signature on the receipt of the amount, after verifying his or her identity, recording it on the voucher, and writing his or her name on the designated place. It shall also be stamped along with the documents and proofs attached thereto with a stamp that entails the date of payment and the word (PAID).

Article (17) Receipt Voucher

1. No amount of the Intelligence funds may be paid except based on a receipt voucher on the designated form and signed by the officer of financial affairs, in addition to the signature of the entity at the Intelligence which is responsible for issuing the disbursement order.
2. The accountant shall draw up the disbursement voucher, entailing adequate details and data and include the chapter and item under the budget based on which the amount is to be disbursed. The voucher shall be registered in the expenses register. In all cases, it shall be supported with the documents establishing the validity of disbursement, such as orders, purchase orders, contracts, et cetera, in accordance with the instructions issued in this regard. It shall also incorporate a permission form to cash the cheque which is issued by the officer of financial affairs.

Article (18) Invalidation of Documents

In the event any of the used documents, whether at the Finance Department, treasury or at any other body, is invalidated, the following steps shall be in place:

1. A reverse instrument shall be prepared for the transactions which need to be annulled.
2. The employee in charge of the reversion of the instrument, or any other register, shall submit a report to the officer of financial affairs, in which he or she states the reasons behind the reversion of the instrument. The official of financial affairs shall decide what he or she deems fit in this regard.
3. The instrument shall be tackled in the same manner as the un-annulled instrument in terms of its location. It may not be destroyed or disposed of. It should be kept in the designated file and in its location according to the serial numbers of the instrument.

Article (19) Keeping the Day Book of the Fund

The treasurer and accountant shall keep a day book for the Fund. These shall be matched on a daily basis so as to ensure that the disbursement, receipt, and balances are correct.

Article (20) Depositing of the Intelligence Funds

1. The Intelligence funds shall be deposited at the banks accredited by the Head of the Intelligence.
2. The Head of the Intelligence shall notify the banks accredited under Paragraph (1) above of the names of persons authorised to sign on the cheques and payment orders issued by the Intelligence.

Article (21) Prohibition of the Intelligence Funds

The funds of the Intelligence may not be used after being received or before being deposited at the accredited banks for any reason whatsoever.

Article (22) Depositing of Funds in the Bank

1. The treasurer shall deposit in the bank on a daily basis all the funds received by the treasury. He or she may keep in the treasury a sum not exceeding (10,000) ten thousand American dollars or the equivalent thereof in the legal local currency for contingent and urgent expenditures.
2. As an exception to the provision under Paragraph (1) above, the treasurer may keep a sum that exceeds (10,000) ten thousand American dollars or the equivalent thereof in the legal local currency in the event the surplus amount has been accrued to the treasury after 02:30 post meridian and was impossible to be deposited at the bank due to the end of the working hours, on condition that he or she thus reports to the officer of financial affairs. He or she shall obtain the written approval of said officer as to the keeping of the surplus amount in the Fund.

Article (23) Approval of the Issuance of Advances

The Head of the Intelligence may agree to furnish financial advances for the following purposes:

1. An advance for travel and accommodation for an employee at the Intelligence who is delegated to an official mission, provided that it is reimbursed as soon as the mission terminates and the delegated employee returns.
2. An advance for a training course, which shall be disbursed on the account of the salaries, increments and allowances to which the delegated employee is entitled in accordance with the provisions of this Regulation and the instructions thereby issued.

Article (24) Restriction on the Approval of Advances

The Head of the Intelligence may agree to issue a temporary advance for expenses on purchases, provided that the advance beneficiary proves, through adopted methods, the method of disbursement from such advance in accordance with the regulations of disbursement applicable at the Intelligence. The advances shall be paid on the designated time following the deduction of the amount of all purchases therefrom. The remainder shall be returned to the treasury through recognised accounting methods.

Article (25) Distribution of the Intelligence Expenditures

Expenses at the Intelligence shall be divided as per their nature into the following types:

1. The expenses which are justified by law and which do not need require previous approval of the disbursement thereof. The competent employees shall allow them. Such type shall include the expenses arising from the enforcement of the regulations in force at the Intelligence, or those which are based upon decisions issued by the Head of the Intelligence.
2. The expenses which need the submission of a request thereon, along with the approval of the competent entity in conformity with the regulations applicable at the Intelligence. The procedures of the

request as well as approval thereof shall be conducted in conformity with the adopted forms and in accordance with the prescribed administrative rules.

3. The expenses which do not fall under any of the Paragraphs (1, 2) above shall be deemed to be expenses for which a request for approval thereon must be submitted. The request shall be submitted to the Head of the Intelligence in his or her capacity as the paymaster or to the person whom he or she authorises to take the appropriate decision thereon.
4. The Head of the Intelligence shall issue forth instructions that include the details of expenses that fall under any of the Paragraphs (1, 2) above.
5. The Head of the Intelligence shall issue forth instructions that include details on the undisclosed (secret) expenses. He or she shall have full power to expend thereon without compliance with the regulations, bylaws and directives in force at the Intelligence, insomuch as all items and procedures relating thereto are confidential.

Article (26) Staff Salaries

The salaries of employees with contracts shall be paid within the period from the last working day of each month up to the fifth day of the beginning of the ensuing month. The Head of the Intelligence may approve the payment thereof, within the last third of the working month, to the Intelligence employee in the event the date of the payment of his or her salary falls within the period of his or her annual or sick leave or during his or her presence outside his or her workplace on an official mission. The salaries shall be paid to any of the employees with contracts at the Intelligence in person or through a transfer to his or her bank account based upon his or her request. It may also be paid to the person who is authorized in writing by him or her to receive it.

Article (27) Payment of Per Diem Work

Per Diem work and allowances of travel shall be paid to the Intelligence employees who are delegated on official missions in accordance with the bylaw approved by the Head of the Intelligence.

Article (28) Keeping Documents

1. Each employee who is in possession of papers or documents with a financial value must keep them in a special metal box at the Intelligence. If untenable, they shall be kept in a safe place to be chosen by the employee on his or her own responsibility.
2. Each employee shall be prohibited from keeping in any safe designed for the keeping of the funds of the Intelligence any funds belonging to a third entity.

Article (29) Bearing Liability for Errors

Any employee who causes a financial or material loss to the Intelligence as a result of an error or negligence by him or her shall bear liability for the errors which he or she makes. The Intelligence shall also be entitled to take all the administrative and legal measures which safeguard compensation for the losses.

Article (30) Internal Auditing of Documents

All financial registers, instruments, and records shall be subject to the internal auditing by the competent persons at the Intelligence as well as to the external auditing by the financial controller who is appointed by the President. All officials of financial affairs must submit all that which is in their possession to the certified auditors at the Intelligence, and must provide them with any detailed information which they request and not refrain from the implementation of any request from them in this regard.

Article (31) Keeping the Keys of Boxes

The keys of metal boxes (safes) shall be kept as follows:

1. The original keys shall be in the possession of the employee in charge of the box. These shall be officially handed thereto by the officer of financial affairs who shall sign so as to indicate that he or she has received them. They shall remain in his or her possession and he or she must return them immediately after the termination of his or her services for any reason whatsoever and by the official means to the officer of financial affairs.
2. The reserve keys shall be kept by the officer of financial affairs in a sealed

envelope on which the numbers of keys and safes are registered.

3. The employee in charge of keeping keys shall inform the Head of the Intelligence or the officer of financial affairs about any missing key that was in his or her possession, along with a report in which he or she clarifies the circumstances and manner by which he or she missed the key.
4. No employee may keep more than one key for each box. When an employee leaves the work for any reason, he or she must hand over the key to the officer of financial affairs.
5. A minutes shall be developed on the inventory of the trust in the event the employee bearing the keys of boxes and safes is on an official mission or on a leave of any type whatsoever, in which the status of such trust is to be stated. The employee replacing him or her at work shall receive it.

Article (32) Keeping Registers

The officer of financial affairs shall be responsible for keeping the following registers:

1. Revenues register.
2. Expenses register.
3. Box register.
4. Salaries register.
5. Advances register.
6. Register of receipts, cheques, and records.
7. Register of programmes, courses, and seminars.
8. Requisite journal.
9. Requisite ledgers.
10. Any instruments, books, or registers that are deemed requisite for the completion of work.

Article (33) Appointment of a Financial Controller

The officer of financial affairs shall keep a special register for each financial year to be called the (Register of Revenues and

Expenses), on which the phases of the implementation of the budget with respect to all revenues and expenses under the relevant titles, chapters and articles are to be registered, provided that such register is regulated inasmuch as it shall be possible to view it at any time during the year in order to ensure the status of the budget then.

Article (34) The Register of Entrusted Items

The officer of financial affairs shall keep a register of entrusted items, on which the registers and forms which have been delivered thereto by the competent parties are included, along with the details pertaining to their numbers. He or she may not use any register or form on which an error or missing information occurred. He or she must also submit a report thereon to the Head of the Intelligence, including any differences of the missing information or error.

Article (35) Deletion of the Loss

The Head of the Intelligence may delete any loss incurred on the Intelligence funds in the event it does not exceed (500) five hundred American dollars or the equivalent thereof in the legal local currency during the financial year. In case the loss exceeds such amount, he or she shall report the case to the President to take the appropriate decision thereon.

Article (36) Prohibition of Scratches, Erasing and Crossing of Accounts

1. Scratches, erasing and crossing of any accounts, instruments, or registers shall be prohibited. However, the required modification shall be conducted in accordance with the accounting adjustments or reverse entries.
2. In the event of embezzlement or shortage in the funds, registers, books, or basic records of the Intelligence, the responsible employee must inform the Head of the Intelligence in order to carry out the necessary investigation.

Article (37) Establishment of the Tenders Committee

A committee of tenders and purchases shall be formed by a decision from the Head of the Intelligence. It shall perform its duties

in pursuance of the provisions under the Regulation on Supplies and Purchases.

Article (38) The Final Account

1. The closing account shall be prepared for each year. It shall include the resources and actual uses during that year, to be disbursed to the various chapters, items, programmes, and projects in implementation of the budget. It shall also indicate the financial status of the Intelligence at the end of the year.
2. The closing account of the year shall include: the revenues which have been appropriated for the Intelligence as well as the expenses which were actually disbursed or those which were due for that year but have not been disbursed for some reason.

Article (39) Appointment of a Financial Controller

The President of the Authority shall be entitled to appoint a financial controller at the Intelligence based upon the recommendation of the Head of the Intelligence to review the accounts of the Intelligence. The financial controller shall view the items of disbursement as well as immediately supervise the auditing of the accounts and ensure the validity thereof.

Article (40) Development of Closing Accounts

1. The closing accounts shall be prepared and reported to the financial controller within three months from the end of the years to which such accounts belong.
2. The financial controller shall be responsible for reviewing the closing accounts of the Intelligence and submitting a report thereon to the President within three months from the end of the year to which such accounts belong. A copy thereof shall also be handed to the Head of the Intelligence.

Article (41) Take Necessary Measures for Keeping Accounting Books

1. The Head of the Intelligence shall take the measures necessary for the keeping of accounting books as well as the

submission of annual accounts, on which the following is to be incorporated:

- a. The expenses and revenues from all sources.
 - b. The status of prescribed appropriations.
 - c. The supplies and assets.
2. Disbursement shall take place on the basis of instruments and documents which establish that the services and commodities to be disbursed have actually been rendered or delivered and that their price has not been paid. The Head of the Intelligence shall define in the Accounting Regulation the documents supporting the disbursement, which must be enclosed with the disbursement orders of each type of expenditures.
 3. The Head of the Intelligence shall nominate the employees authorised of the expenditure, the arrangement of the financial liabilities of the Intelligence, the delivery of cash amounts and correlation or the settlement of payments in the name of the Intelligence.

Article (42) Regulation of Accounting Issues

The affairs of the accounting, purchases, warehouses and other financial matters necessary for the progress of the Financial Department at the Intelligence shall be regulated in accordance with the prescribed regulations as well as the instructions and decisions of the Head of the Intelligence.

Article (43) The Internal Auditor

An internal auditor shall be responsible for the internal control before and after disbursement as well as the review and auditing of the financial actions of the Intelligence, in order ensure the following:

1. Smooth running of the accounting operations and their adherence to the prescribed allocations and their goals, financial provisions and instructions issued forth by the Head of the Intelligence.
2. Facilitating the tasks of the financial controller.

Article (44) Promulgation of Secondary Legislation

The Head of the Intelligence shall issue forth the instructions and decisions necessary for the implementation of the provisions of this Regulation.

Article (45) Extension of Enforcement

The implementation of the applicable instructions and decisions prior to the approval of this Regulation and which do not contradict its provisions shall continue until they are substituted by new instructions and decisions.

Article (46) Execution, Entry into Force and Publishing

All competent authorities, each within the sphere of its jurisdiction, shall implement the provisions of this Regulation which shall enter into force as of the date of its publishing in the Official Gazette.

Promulgated in the city of Ramallah on January 15th, 2007 *Anno Domini*, corresponding to Thu al Hijja 26th, 1427 *Anno Hegira*

Mahmoud Abbas

Chairman of the Executive Committee of the Palestine Liberation Organisation

President of the Palestinian National Authority

Chapter VI: General Framework of Financial and Administrative Affairs of the Personnel of Palestinian Security Agencies

1. Laws

Law No. 16 of 2004 on Insurance and Pensions for the Palestinian Security Forces

The President of the Palestinian National Authority,

Having reviewed the *Amended Basic Law*,

Having reviewed the *Law of Insurances and Pensions promulgated in the Decree Law No. 8 of 1964* and its Amendments,

Having reviewed the *Decision of the Chairman of the Palestine Liberation Organisation No. 6 of 1974*, which includes the *Law of the Pensions of the Officers of the Palestine Liberation Army*,

Having reviewed the *Decision of the Chairman of the Palestine Liberation Organisation No. 7 of 1974*, which includes the *Law of the Pensions of the Non-commissioned Officers and Soldiers of the Palestine Liberation Army*, and

Based upon approval of the Legislative Council during its session of 22 December, 2004,

I hereby promulgate the following law:

Chapter I. Definitions

Article (1)

In applying the provisions of this law, the following terms and expressions shall have the meanings specified below, unless the context determines otherwise:

Supreme Commander:	The Supreme Commander of the Palestinian security forces and the Palestine National Liberation Army.
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Commander-General:	The Commander-General of the Palestine National Liberation Army.
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Army:	The Palestine National Liberation Army.
Security Forces:	The Palestinian Security Forces inside Palestine.
Fund:	The Fund of Insurance and Pensions.
Primary Beneficiary:	The officers, non-commissioned officers and members of personnel of the Security Forces and the Army.
Entitled Person:	The heir who shall be entitled to a share of his testator's (the primary beneficiary) monthly pension after his death.
Contingent Beneficiary:	The person who shall be entitled to an insurance benefit, which is paid in the event of the death of the primary beneficiary during service.
Salary:	The basic salary to which the increment of the nature of work, the regular increment and the increment of the high cost of living are added.
Pension:	The amount which shall be paid pursuant to the provisions of this law to the primary beneficiary or the entitled person on a monthly basis.

Age and Duration:	To be counted in accordance with the solar calendar. When calculating the age in the absence of the date of birth, such date shall be considered the 1st of July of the same year. When a birth certificate is not available, the age shall be estimated by the Medical Committee.
Previous Laws and Regulations:	<ol style="list-style-type: none"> 1. The Law No. 8 of 1964 Concerning the Fund of Insurance and Pensions under the Administration of the Governor-General of the Gaza Strip. 2. Decision of the Chairman of the Palestine Liberation Organisation No. 6 of 1974, which includes the Law of the Pensions of the Officers of the Palestine Liberation Army. 3. Decision of the Chairman of the Palestine Liberation Organisation No. 7 of 1974, which includes the Law of the Pensions of the Non-commissioned Officers and Soldiers of the Palestine Liberation Army.
Martyr:	Any officer, non-commissioned officer or member of personnel of the Palestinian security forces who is injured during military training or operations or during the performance of his national duty.
Missing:	Any officer, non-commissioned officer or member of personnel of the Palestinian security forces whose death cannot be verified. The missing shall be deemed a martyr after a period of three (3) years from the date of his going missing.

Insurance:	The financial amount which the Fund pays to the primary beneficiary or the entitled person pursuant to the provisions of this law.
Regulation of Retirement:	The Law of Insurance and Pensions or any other law, bylaw or regulation of retirement.

Chapter II. Persons Subject to the Provisions of this Law

Article (2)

The following categories shall benefit from the provisions of this law:

1. Officers, non-commissioned officers and members of personnel of the security forces.
2. Civil employees who work in the security forces.
3. Beneficiaries from the provisions under the Law No. 8 of 1964 from the date of the benefit until the date of the end of their service or the end of their contribution payments. These are:
 - a) Officers, non-commissioned officers and members of personnel of the security forces.
 - b) Civil employees who work in the security forces.
4. Officers, non-commissioned officers, members of personnel and civil employees of the security forces who worked for the Palestine Liberation Army.
5. Officers, non-commissioned officers and members of personnel of the Palestine Liberation Army who benefit from the provisions under the Law No. 8 of 1964 Concerning the Fund of Insurance and Pensions under the Administration of the Governor-General of the Gaza Strip in Cairo pursuant to the decision of the Minister of War of the Arab Republic of Egypt of 1974, from the date of the benefit until the end of their service or the end of their payments of contributions.

Article (3)

Any primary beneficiary set forth under paragraphs 3, 4 and 5 of the preceding Article who receives his pension pursuant to previous laws and regulations shall have the following options:

1. Be treated pursuant to the provisions of this law on the condition that he pays his due contributions pursuant to the laws, bylaws and regulations in force.
2. If he is not willing to pay the contributions set forth under paragraph 1 of this Article, he may be treated pursuant to the provisions of this law as of the date of his enlistment in the security forces.

Chapter III. Periods of Service for Pension and Admission to Retirement

Article (4)

The following periods of service shall count for the pension and the admission to retirement:

1. Periods of service under this law.
2. Periods of service preceding the enforcement of this law spent under the National Authority.
3. Periods of service admissible for retirement pursuant to any previous law of retirement, on the condition of the payment of pension contributions and returns.
4. Periods of service spent with the Palestine Liberation Army, on the condition of the payment of pension contributions and returns.
5. Periods of military service spent with the factions of the Palestine Liberation Organisation, on the condition of the payment of pension contributions and returns.
6. Periods of previous service of freedom fighters who returned to the homeland, in accordance with the periods upon which their return was determined or in accordance with their rank, on the condition of the payment of pension contributions and returns.

7. Periods of service spent by a primary beneficiary in prison, provided that the government pays his pension contributions and returns in full, which shall be counted on the basis of the period of service counted for the full pension.
8. Periods of service spent by a primary beneficiary on a paid or unpaid official mission, secondment or leave, on the condition of the payment of pension contributions and returns in accordance with the provisions of this law.
9. If a primary beneficiary was paid any remuneration to which he was entitled during a previous period, he must return the amounts paid to him to the Fund of Insurance and Pension in order that such previous periods are included. They shall be counted in accordance with the last salary earned by the primary beneficiary.

Article (5)

The following periods of service shall not count for the pension:

1. Periods of service spent by a primary beneficiary before he reaches eighteen (18) years of age.
2. Periods of service after the age of retirement in a manner that does not contradict the provisions of this law.
3. Unpaid periods of imprisonment or suspension from work for criminal reasons.
4. Periods of service which are not settled in financial terms with the primary beneficiary, taking into consideration the provisions under paragraph 2 of Article 3.

Article (6)

1. The Government and the employing authorities shall pay into the Fund pension contributions and returns of primary beneficiaries for periods of service preceding the enforcement of this law, pursuant to the provisions of this law.
2. In addition, they shall pay pension contributions and returns for the periods of service set forth in Article 4.

Chapter IV. Medical Committees

Article (7)

The following medical committees shall be formed at the command level of the security forces:

1. The Military Medical Committee.
2. The High Military Medical Committee.

Article (8)

The Military Medical Committee shall be formed by decision of the Director-General of the Security Forces and upon the recommendation of the Director of the Military Medical Services. The Military Medical Committee shall consist of three (3) military physicians of various specialisations. The most senior physician on the Military Medical Committee shall be its Head, provided that his rank is not below that of Lieutenant-Colonel. The Military Medical Committee may seek assistance from specialists in accordance with the medical case in question.

Article (9)

The Military Medical Committee shall be responsible for determining the following:

1. Physical fitness for military service and the criteria for officers, non-commissioned officers and members of personnel of the security forces.
2. Types of injury or illness.
3. Types of disability and their degree.
4. Cause of injury or death resulting from accidents during or because of service.
5. The age of a primary beneficiary if the official birth certificate is not available.

Article (10)

Injury, martyrdom or death resulting from military operations shall be confirmed by a report of the commander of the primary beneficiary's unit. The report shall include the location, time and circumstances surrounding the injury or death and be approved by the commander of the region or the organisation. If injury leads to the end of service due to physical unfitness, this shall be confirmed by a decision of the Military Medical Committee.

Article (11)

The primary beneficiary shall be notified of the decisions of the Military Medical Committee. He shall have the right to appeal such decisions before the High Military Medical Committee within thirty (30) days from the date of his receipt of notification.

Article (12)

The decisions of the Military Medical Committee shall be confirmed by a decision of the Director-General of the Security Forces. Upon confirmation and the expiration of the period of appeal, they shall be final.

Article (13)

If the Military Medical Committee is unavailable, injured or ill, members of the security forces shall be referred to the Central Civil Medical Commission, which shall examine their health conditions and fitness for service, as well as the type of disability and its degree. The report of the Central Civil Medical Commission shall be confirmed by a decision of the Director-General of the Security Forces, which shall be final.

Article (14)

The High Military Medical Committee shall be formed by a decision of the Commander-General to include the following:

1. A representative of the Commission of Organisation and Administration.
2. A representative of the Commission of Insurance and Pensions.
3. Three military physicians not involved in the case referred to it, provided that one of them is a specialist therein. The most senior physician shall be the head of the Committee, provided that his rank is not below that of Lieutenant-Colonel.

Article (15)

The High Military Medical Committee shall be responsible for the following:

1. Examining the decisions of the Military Medical Committees referred to it by the Director-General of the Security Forces to determine the type and degree of the disability of a person entitled to a pension,

insurance benefit or compensation, or any other decision referred to it.

2. Summoning the respective person and consulting with specialised experts.

Article (16)

Upon confirmation by the Director-General of the Security Forces, the decision of High Military Medical Committee shall be final and may not be appealed.

Article (17)

An order by the Director-General of the Security Forces shall regulate rules and criteria for the physical fitness of officers, non-commissioned officers and members of personnel, all related matters, the duties and procedures of the Military Medical Committees, the confirmation procedures regarding their decisions and everything that is related to their work.

Chapter V. Entitlement to Insurance Benefits

Article (18)

Insurance benefits for primary beneficiaries or persons entitled on their behalf shall be due in the following cases:

1. Death of the primary beneficiary before he reaches the age of retirement. In this case, the insurance benefit shall be paid to the legal heirs. If there are no legal heirs, the insurance benefit shall be paid to individuals appointed by the primary beneficiary.
2. End of service of the primary beneficiary before he reaches the age of retirement due to full disability to work. If the disability is partial, the primary beneficiary shall be entitled to half of the amount of the insurance benefit. Entitlement to insurance benefits shall be conditional upon a decision by the Military Medical Committee confirming the end of service of the primary beneficiary. The insurance benefit shall not be paid for purposely self-inflicted injuries.

Article (19)

Insurance benefits shall not be made in the absence of an official age certificate of the primary beneficiary or an age estimate by the Military Medical Committee. The official age certificate must be submitted to the Commission of Organisation and Administration. If such document is not available, the primary beneficiary shall be referred to the Military Medical Committee for an estimate of age within three (3) months from the date of the enforcement of this law. If such a referral does not occur, the responsible officials shall be liable to disciplinary measures under this law. The decision of the Military Medical Committee shall be final even if a birth certificate or any other official document is submitted at a later stage. For the estimate of age, the Military Medical Committee shall take into account the date of birth on the primary beneficiary's personal identity card or passport.

Article (20)

Insurance benefits shall be a percentage of the annual salary in conformity with the age. The insurance benefit shall be assessed on the basis of the last monthly salary of the primary beneficiary. In calculating his age, fractions of a year shall be counted as a full year.

Article (21)

Primary beneficiaries whose services end due to physical unfitness resulting from an accident during service or because of it shall be awarded a financial compensation pursuant to the applicable Regulation of Retirement and the degree of the disability decided by the High Military Medical Committee.

Chapter VI. Pensions and Remunerations

Article (22)

1. To enforce this law, the Commander-General, based upon the recommendation of the Committee of Officers, may retire on pension any officer who has completed the age set forth below, provided that he has spent no less than twenty (20) years in service:
 - a. Brigadier-General or above 55 years

- b. Colonel 50 years
 - c. Lieutenant Colonel 48 years
 - d. Major 45 years
2. The Director-General of Public Security, based upon the recommendation of the Commission of Organisation and Administration, may retire on pension any non-commissioned officer or member of personnel who has completed the age set forth below, provided that he has spent no less than twenty (20) years in service:
- a. Honour Officer 50 years
 - b. Adjutant 48 years
 - c. First Sergeant 46 years
 - d. Private/Sergeant 44 years

Article (23)

The primary beneficiary shall be entitled to a pension upon the end of his service in the following cases:

1. If the period admissible for retirement is at least twenty (20) years.
2. In the case of reaching the age of retirement, if the period counted for the pension is fifteen (15) years or more.
3. In the case of the end of service due to dismissal by decision of the Commander-General or due to dispense of service if the period counted for the pension is fifteen (15) years or more.

Article (24)

1. The pension shall be assessed on the basis of the last monthly salary of the primary beneficiary within the period of his service admissible for retirement.
2. If the table of salaries differs at any time from that which was applicable at the time of end of the service of the primary beneficiary, the pension shall be assessed on the basis of the new table of salaries as of the month in which it changed, whichever is better for the primary beneficiary.

Article (25)

The pension shall be assessed as one (1) out of thirty-five (35) portions of the last monthly salary for each year of service.

Article (26)

The maximum monthly pension shall not exceed eighty (80%) percent of the last monthly salary.

Article (27)

In the event of the end of service resulting from physical unfitness or death, the pension shall be due regardless of the period of service. The pension shall be assessed on the basis of a minimum of forty (40%) percent of the last monthly salary or on the basis of the actual period of the primary beneficiary in service to which three (3) years shall be added. The pension shall be the greater of the two, provided that the added period does not exceed the period remaining for the primary beneficiary to reach the age of retirement.

Article (28)

In the event of the end of service resulting from death or physical unfitness due to an accident during service or because of it, the pension shall be assessed on the basis of eighty (80%) percent of the last monthly salary regardless of the period of service. An accident occurring to the primary beneficiary during his travel to or return from work shall be considered an accident occurring during or because of service, on the condition that the primary beneficiary or, in the event of death, the administrator of his estate submits a comprehensive and detailed report on the circumstances of the accident. The report shall include the confirmation of the end of service by the commander of the region or organisation, the decision by the competent Military Medical Committee, and an investigation report by the Military Prosecution.

Article (29)

In addition to the pension due pursuant to the provisions of this law, the following payments shall be made:

1. A personal increment for the primary beneficiary of ten (10%) percent of the amount of the pension during his lifetime.

2. A family increment for the primary beneficiary in accordance with the family increment applied to those primary beneficiaries in service.

Article (30)

Persons entitled to a pension in the event of physical disability pursuant to the provisions of this law shall be subject to medical examination by the Military Medical Committee on a date set by the same. A pension shall be paid for the month which was set for medical examination and the following month. Thereafter, the pension shall only be paid if the state of disability continues. The entitlement shall be confirmed once the Military Medical Committee confirms the permanence of the physical disability.

Article (31)

In the event of resignation from service, the pension shall be reduced by varying percentages in accordance with the relevant table attached to the Regulation of Retirement. Once the beneficiary reaches sixty (60) years of age, the full amount of the pension shall be paid without reduction.

Article (32)

1. If the service of the primary beneficiary ends before the period of service reaches the duration which would entitle him to a pension pursuant to the provisions of this law, he shall be entitled to a remuneration of service on the basis of fifteen (15%) percent of the last annual salary for each year of service. No remunerations shall be due if the period of service is less than three (3) years, except for persons reaching the age of retirement.
2. If the primary beneficiary ends his service before the end of three (3) years for any reason other than resignation or disciplinary dismissal without receiving any other payment pursuant to this law, he shall be entitled to remuneration assessed on the basis of ten (10%) percent of his last annual salary for each year of service.

Article (33)

In assessing pensions, remunerations, insurance benefits or any other payments pursuant to this law, salary increases to which the primary beneficiary is entitled shall enter in the assessment of his last salary, even if they were not paid.

Article (34)

In counting the period of service admissible for retirement, fractions of a month shall count as a full month.

Article (35)

If the primary beneficiary or any other beneficiary dies, the entitled persons on his behalf shall have the right to receive a pension pursuant to the provisions of this law. The pensions shall be paid from the beginning of the month during which the death occurs, unless the beneficiary had received it in advance and died prior to the beginning of the month. In such a case, the pension shall be paid to the persons entitled on his behalf as of the beginning of the month following the date of death.

Article (36)

The persons entitled to a pension pursuant to the provisions of this law shall be:

1. The widow or widows of the primary beneficiary or another entitled person.
2. His children and those whom he supports from among his brothers and who are younger than twenty-one (21) years of age at the time of his death.
3. His children and those whom he supports from among his brothers, who are older than twenty-one (21) years of age at the time of his death and who are enrolled in a university or institution of higher education, until they reach twenty-six years (26) of age or their education is completed, whichever occurs first. In such case, payments shall continue until the end of the month of October of the year during which the studies end. Pension payments shall continue to students who reach twenty-six years (26) of age within the academic year until the end of the month of June of that year. Upon the

end of the entitlement of students, the pension shall be assessed again regarding the remaining entitled persons who were present at the time of death of the primary beneficiary.

4. His children and those whom he supports from among his brothers, who are older than twenty-one (21) years of age at the time of his death and who are suffering from a physical disability which prevents them from earning a living. At the time of the claim, the degree of the disability shall be confirmed by a decision of the Military Medical Committee.
5. The widowed, divorced and unmarried from among his daughters and sisters. The brothers and sisters at the time of the death may not have a private income that equals or exceeds the amount of their pension claim. If the private income of each of his brothers and sisters is less than what each is entitled to, a pension shall be allocated and paid to each such brother or sister. An alimony shall not be deemed an income.
6. The parents. For the entitlement of the mother to be valid, she shall not be married to a man other than the father of the dead.

Article (37)

1. The pension of the widow shall end upon her remarriage. Her pension claim shall be reinstated if she is divorced or widowed within a period of ten (10) years from the date of her remarriage.
2. The widow may not receive both the pension of her first husband and the pension of her last husband. In such case, the higher pension shall be granted to her.

Article (38)

If a husband was prevented from working by a physical disability at the time of his wife's death, he shall be entitled to the legally defined amount upon his wife's death. The degree of the disability shall be confirmed by a decision of the Military Medical Committee. The husband's private income at the time of his wife's death may not exceed or equal the amount of his pension claim. If the private

income is less than his pension claim, a pension in the amount of the difference shall be granted to him. In such case, the remainder of the wife's pension claim shall be distributed to the contingent beneficiaries in accordance with the amounts to which they would be entitled if the marriage had not existed.

Article (39)

Pension payments to persons entitled on behalf of the primary beneficiary or another entitled person shall end once such persons become employed in any work and/or their income equals or exceeds the pension. If the income is less than their due pension, the difference shall be paid to them. Their claim to the payment of the pension shall be reinstated fully or partly to the extent that such income fully or partly discontinues.

Article (40)

In the event of the suspension or end of the pension, the pension due for the month during which the suspension or end occurs shall be the pension of a full month. If the pension of an entitled person is distributed to contingent beneficiaries, the pension shall be assessed again from the beginning of the month following the date of the claim.

Article (41)

A pension and an income, or two pensions, may be combined in the following cases:

1. If the two pensions are due on behalf of parents subject to the provisions of this law or any other law, provided that they do not exceed eighty (80%) percent of the higher of the two pensions.
2. If the two pensions are due for the widow in her capacity as a primary beneficiary and an entitled person on behalf of her husband, or if she receives her pension on behalf of her husband and her income, provided that they do not exceed eighty (80%) percent of her salary.
3. The entitled person shall have the right to combine his pension and his work or professional income if such work is temporary or provisional and if he is older than the age of retirement.

Chapter VII. Entitlements of the Missing

Article (42)

If a primary beneficiary or another entitled person is missing, a monthly allowance equal to his monthly salary or pension shall be paid to his family or the persons entitled on his behalf. On the assumption of his death, payments shall be made as of the beginning of the month during which he went missing until such time as he appears or his death is proven in reality or *ipso facto*. For assessing the claims under the provisions of this law, the date of the end of service of the missing person shall be deemed to occur on the fourth anniversary of the date that he went missing or the date on which his death is proven in reality or *ipso facto*, whichever occurs first. The Financial Department shall continue the payment of salaries and in-kind payments to missing primary beneficiaries. The Fund of Insurance and Pensions shall pay the pensions and other entitlements of entitled persons pursuant to the provisions of this law.

Chapter VIII. Expiration of Pension Claims

Article (43)

1. A member of the security forces who enters the service of any other state during his service without the approval of the Commander-General shall lose his pension claims.
2. A member of the security forces who enters the service of any other state after his end of service without the approval of the Commander-General shall lose his pension claims.

Article (44)

A member of the security forces shall lose his pension claims, whether during service or after his retirement, if he is convicted by the competent Military Court of espionage or any other criminal offence that violates the security of the homeland.

Article (45)

The primary beneficiary or the entitled person may not be deprived of the pension,

remuneration or any other entitlement awarded to him under the provisions of this law except by a disciplinary action issued within three (3) months, except for the cases set forth in Articles 43 and 44.

Article (46)

With reference to the provisions of Articles 43 and 44, the family of the primary beneficiary shall in all cases receive its monthly share of the pension on the assumption of the non-existence of the primary beneficiary, unless a contrary decision is issued thereof by the competent Military Court or the Commander-General based upon the recommendation of the Committee of Officers.

Article (47)

Requests for the payment of pension claims, including pensions, remunerations, insurance benefits and any other entitlement, shall be submitted to the Fund within a period of three (3) years from the date of issuing the decision on the primary beneficiary's end of service, or from the death of the entitled person, or from the date of the due entitlement of the payment, whichever occurs first; otherwise the claim shall expire. Claiming any of the above payments shall equal claiming the remainder of all payments due from the Fund. The aforementioned period shall end for all entitled persons if any one of them appears on the scheduled date.

Article (48)

Pension claims which the primary or contingent beneficiary does not assert within a period of five (5) years from the date of the notification of the assessment of the pension or from the date of the last payment shall expire.

Article (49)

All pension claims and returns which are not paid under the provisions of this law shall return as revenues to the Fund.

Chapter IX. Reinstatement to Service

Article (50)

If an entitled person is reinstated to service by any of the authorities which implement the

provisions of this law after its enforcement, his pension shall be halted for the duration of his return to service.

Article (51)

If an entitled person is reinstated to service and takes over functions the occupant of which benefits from the provisions of this law, the period of his service, whether consecutive or separate, shall be taken into account for the assessment of his pension, whichever is better for him.

Article (52)

1. If a member of the security forces is reinstated to service following the enforcement of this law, but is not yet entitled to a pension, he may have this period of service counted, fully or partly, on the condition that:
 - a. He claims a pension within a period of one (1) year from the date of his reinstatement. He must return the amounts which he paid during his service, fully or partly, in accordance with his salary and age upon payment under the provisions of the law.
 - b. The primary beneficiary was subject to the provisions of this law during his former service. If his service ended without remuneration, such period shall be counted without the payment of any amounts thereof.
2. Upon the end of service of the primary beneficiary in the future, his pension for the two periods of service shall be assessed pursuant to the provisions of this law, whether as consecutive or separate, whichever is better for him. If he is not entitled to a pension, a remuneration of service shall be paid to him for the total of the two periods on the basis of his last salary, with the remaining installments being deducted from his remuneration or a remuneration for the period of his new service to which the total of installments that he paid for the period of his former service shall be added with the prescribed interest rate until the date of the end of service.

Chapter X. Grants and Additional Reimbursements

Article (53)

1. In the event of the primary beneficiary's death, the payment of the net monthly salary to which he is entitled on the assumption that he is not dead shall continue without deduction of his due installments for the month of death, as well as the two (2) following months, on the scheduled dates. The payment shall be made to the widow if present. If there is more than one widow, the payment shall be divided amongst them equally.
2. In the event of the presence of minor sons or unmarried daughters from a woman other than the widow, they shall be entitled to what their mother was entitled to if she had not died or been divorced, pursuant to the provisions of this law. The claim shall be paid to the legal guardian if available. If not available, it shall be paid to the trustee.
3. In all cases, the payment may not exceed the salary of three (3) months. If the primary beneficiary has paid in advance the salary of the month during which the death took place, only the salary of the following two (2) months shall be paid. The Central Financial Department and not the Fund shall continue grants which are paid under the provisions of this Article.

Article (54)

In the event of the death of the entitled person, the Commission of Insurance and Pensions shall continue to pay the net monthly salary which was paid to him on the assumption that he is not dead pursuant to the provisions under the preceding Article. The Fund shall cover this.

Article (55)

The Central Financial Department shall pay the funeral expenses of every primary beneficiary who dies during service. Such expenses shall be assessed on the basis of the salary of three (3) months. The General Commission of the Fund shall also cover the funeral expenses of a primary beneficiary on the basis of the pension of three (3) months. Such expenses shall be immediately reimbursed to the person who

made them, whether it was the widow of the primary beneficiary, the widow of the entitled person, the most legally senior person in his family, or any other person.

Article (56)

If the primary beneficiary's period of actual service exceeds the period of service that is admissible for retirement – twenty-eight (28) years – pursuant to the provisions of this law, or if the amount of the pension exceeds the maximum limit provided in this law, a remuneration of service shall be paid for the excessive period, the amount of which remuneration shall equal twenty (20%) percent of the annual salary for each year of excessive service.

Article (57)

The service of primary beneficiaries under the provisions of this law shall end at sixty (60) years of age. A primary beneficiary may stay in service or be reinstated after retirement by a decision of the Commander-General based upon the recommendation of the Committee of Officers, provided that the period of his reinstatement is limited to five (5) years. Such period shall be a period of service admissible for retirement.

Chapter XI. Replacement of Pensions

Article (58)

Within two (2) years after the end of service, any entitled person may request either to have his pension paid in full or to replace a share of his claim thereto, provided that the replaced share does not exceed one-quarter (1/4) of the pension. The amount of the replacement shall be defined in accordance with the tables attached to the Regulation of Retirement and the age and health condition of the entitled person.

Article (59)

The person requesting the replacement shall be referred to the Military Medical Committee for examination and health assessment. The request shall not be accepted unless his health condition is 'good' or 'medium'. In the latter case, the Military Medical Committee shall add to the age of the requesting person a

number of years in accordance with his health condition.

Article (60)

The types of replacement listed in the tables attached to the Regulation of Retirement, whether lifelong, for ten (10) years or for twenty (20) years, shall be determined in accordance with the expressed preference of the entitled person. The replacement shall become effective as of the date on which the amount of the replacement was agreed upon. From the paid pension, a sum equal to the replaced pension shall be deducted.

Article (61)

Persons who are entitled on behalf of an entitled person whose pension is partly replaced shall have their claim assessed on the assumption that the entitled person does not replace anything, unless the entitled person requests a reimbursement from another party pursuant to other laws.

Article (62)

Persons who are entitled on behalf of an entitled person may not replace their pensions.

Article (63)

The replacement of a pension shall take place only once for each entitled person.

Article (64)

The enforcement of the provisions of replacement shall be suspended for a period of five (5) years from the date of the enforcement of this law.

Article (65)

Upon the expiration of the period referred to in Article 64, the entitled persons included under the period of suspension may replace their pensions, under the condition of the period set forth in Article 58 above.

Chapter XII. Loans

Article (66)

The Fund may lend money to primary beneficiaries whose period of service exceeds

three (3) years, for the duration of this service and within the credit limits and at the interest rate determined by the Board of Directors. The interest rate shall not exceed three (3%) percent of the loan. The payment and satisfaction of the loans shall be within the following limits:

1. The salary of three (3) months for those whose period of service is from three (3) to five (5) years, to be paid within one (1) year.
2. The salary of four (4) months for those whose period of service is from five (5) to ten (10) years, to be paid within eighteen (18) months.
3. The salary of six (6) months for those whose period of service is from ten (10) to fifteen (15) years, to be paid within twenty-four (24) months.
4. The salary of eight (8) months for those whose period of service is over fifteen (15) years, to be paid within twenty-four (24) months.

Article (67)

No new loan may be granted before the full satisfaction of the outstanding loan.

Article (68)

If the service of the primary beneficiary ends for any reason prior to the full satisfaction of the loan and its interest, the remaining balance shall be deducted from the entitled remuneration, pension or insurance benefit which is due in case of death or dismissal from service because of disability to work or from any other entitlement.

Article (69)

The remaining balance may not be deducted from the pension which is due for the heirs, except within the limits of one-quarter (1/4). If there are no other entitlements from which the balance can be deducted, the Fund shall deduct it from the revenues of the investment of its properties.

Article (70)

The enforcement of the provisions pertaining to loans shall be suspended for a period of five

(5) years from the date of the enforcement of this law.

Chapter XIII. General, Transitional and Concluding Provisions

Article (71)

The Fund of Insurance and Pensions shall pay only those pensions and remunerations which are settled pursuant to the provisions of this law. The General Treasury shall pay what is granted in excess pursuant to special laws or decisions.

Article (72)

Pursuant to the provisions of this law, the Fund of Insurance and Pensions shall pay on a provisional basis the share of the pension or remuneration which is undisputed until the final settlement is completed.

Article (73)

Neither the Fund nor the concerned person may alter the amount of an insurance benefit, pension or remuneration upon the lapse of three (3) years from the date of the final notification of the assessment of the pension or from the date of the payment, except when resettling the amount of an insurance benefit, pension or remuneration through judicial decisions to the benefit of the concerned person and to correct material errors that occur during the settlement. In addition, the amount of an insurance benefit, pension or remuneration may not be altered through administrative decisions or other settlements after the end of service if such an alteration would reduce the salaries taken as the basis for assessing the insurance benefit, pension or remuneration.

Article (74)

Pension contributions and returns, remunerations, pensions and all other payments set forth under this law shall be excluded from the basis for the tax assessment of salaries, with the exception of a legal provision which prescribes stamp fees. Forms, documents, certificates and publications, as well as all papers and applications pertaining to this law, shall be exempted from such fees.

Article (75)

Pursuant to the provisions of this law, a bylaw shall determine the procedures for the payment of insurance benefits, pensions, remunerations, and all other expenses.

Article (76)

The capital of replacements, remunerations, pensions, insurance benefits, grants, funeral expenses, and all other payments made pursuant to the provisions of this law shall be exempt from all taxes, charges and returns. Such exemption shall be also be valid regarding all payments to entitled persons and entitled heirs on behalf of primary beneficiaries or entitled persons.

Article (77)

The General Commission of the Fund shall have the right to obtain the contributions by primary beneficiaries to the Fund, entitled persons or contingent beneficiaries from their salary, pensions, remunerations, insurance benefits or any other payments within the limits of one-quarter (1/4). Payments by the Fund may be made in instalments to primary beneficiaries in service or entitled persons in any manner which the Board of Directors deems fit.

Article (78)

The immovable and movable properties of the Fund, as well as all its investments, shall be exempt from all taxes, fees and returns which the governmental authority or any other public authority may otherwise impose.

Article (79)

Pursuant to the provisions of this law, the properties of the Fund shall be public properties; they may not be possessed, a real right may not be gained thereupon, and no seizure may be made thereupon.

Article (80)

Pursuant to the provisions of this law, amounts which are due the Fund shall have the privilege over all properties of the debtor.

Article (81)

Pursuant to the provisions of this law, any employee whom the Chairman of the Board of Directors or the Director-General of the Fund designates shall have the right to review and examine the registers, documents and books related to the enforcement of the provisions of this law. The employees of the relevant authorities must give the designated employees access to all data and registers which are required to be examined.

Article (82)

The Chairman of the Board of Directors may refer to a disciplinary trial any employee assigned with the enforcement of this law or the decisions pertaining thereto, who refrains from their enforcement or neglects the duties thereunder. The Chairman of the Board of Directors may appeal the result of any investigation of an employee by a competent authority and refer him to a disciplinary trial, provided that such referral is made within two (2) months from the date of the notification of the authority of the result. In all cases, the employee shall cover the amounts which were not paid to the Fund due to his refusal or negligence along with an interest rate of three (3%) percent per annum from the due date. He shall also pay the aforementioned interest for the amounts which were not paid to the Fund on the deadlines set forth in this law. The Chairman of the Board of Directors shall have the right to waive the interest payments.

Article (83)

Without prejudice to a severer penalty set forth by the *Penal Law* or the *Military Code in force in the Palestinian Security Forces*, anyone who in bad faith gives incorrect data or refrains from providing the necessary data required under this law or its bylaw and whose actions result in obtaining illegal payments from the Fund shall be liable to imprisonment for a period not to exceed three (3) months or a fine not to exceed five-hundred (500) Jordanian Dinars or the equivalent in legal tender or both.

Article (84)

1. The contributions by each person subject to this law shall be the amount of ten (10%) percent of each such person's salary.

2. The contributions by parties responsible for the payment of salaries to the persons subject to this law shall be the amount of twelve and a half (12.5%) percent thereof.

Article (85)

1. To enforce this law, pensions, remunerations, insurance benefits or any other payments shall be assessed in accordance with the following table of salaries until the approval of a law that regulates the military service and the salaries of military personnel:

Military Rank	Basic Salary	Increment of the Nature of Work
Major-General	4020	70%
Brigadier-General	3620	60%
Colonel	3320	50%
Lieutenant-Colonel	2820	40%
Major	2570	30%
Captain	2290	25%
First Lieutenant	2090	25%
Lieutenant	1960	20%
First Adjutant	1830	15%
Adjutant	1700	10%
First Sergeant	1570	10%
Sergeant	1490	10%
Corporal	1410	10%
Private	1330	10%

2. For the purposes of this law:
 - a. The regular increment shall be one and a quarter (1.25%) percent of the basic salary for all ranks stated in the table for each year of service.
 - b. The increment of the cost of living shall be assessed by the competent authorities in accordance with the bases of assessment applicable in the National Authority.

Article (86)

The provisions of this law shall apply to military personnel older than forty-five (45) years of age at the time of the enforcement of the law.

Article (87)

For the purpose of the enforcement of the provisions of this law, the provisions of the tables attached to the Regulation of Retirement shall be valid.

Article (88)

The Council of Ministers shall issue a decision concerning the enforcement of this law.

Article (89)

Every provision that contradicts the provisions of this law is hereby repealed.

Article (90)

All competent authorities, each one within its sphere of jurisdiction, shall implement the provisions of this law, which shall enter into force as of the date of its publication in the *Official Gazette*.

Issued in the city of Gaza on 28 December, 2004, corresponding to 16 Al-Qi'dah 1425 AH.

Rawhi Fattouh

President the Palestinian National Authority

Law No. 16 of 2005 on Amendment of Some Provisions of the Law No. 16 of 2004 on Insurance and Pensions for the Palestinian Security Forces

The Chairman of the Palestine Liberation Organisation,

The President of the Palestinian National Authority,

Having reviewed the *Amended Basic Law*,

Having reviewed the *Law No. 16 of 2004 on Insurance and Pensions of the Palestinian Security Forces*, and

Based upon the approval of the Legislative Council during its session of 21 September, 2005,

I hereby promulgate the following law:

Article (1)

1. A new paragraph 6 shall be added to Article 4 of the *Law No. (16) of 2004 on Insurance and Pensions of the Palestinian Security Forces*, the provision of which shall be as follows:

"Periods of service spent in the Jordanian army with regard to those who joined the Palestinian revolution, but to whom the Jordanian army did not pay pensions or remunerations for the expiration of service, on the condition of the payment of pension contributions and returns."

2. Paragraphs 6 to 9 in Article 4 of the *Law of Insurance and Pensions* mentioned above shall become paragraphs 7 to 10.

Article (2)

All competent authorities, each one within its sphere of jurisdiction, shall implement the provisions of this law, which shall enter into

force as of the date of its publication in the *Official Gazette*.

Issued in the city of Ramallah on 23 October, 2005 AD, corresponding to 20 Ramadan 1426 AH.

Mahmoud Abbas

Chairman of the Palestine Liberation Organisation

President of the Palestinian National Authority

2. Executive decisions

Decision of the Council of Ministers No. 20 of 2005 Concerning the Raise in Salaries of the Military Personnel

The Council of Ministers,

Having reviewed the Amended Basic Law;

Based upon the recommendation of the Prime Minister (Chairman of the National Security Council); and

Based upon what the Council of Ministers approved under No. (1/59) in its session held in the city of Ramallah on February 15th, 2005,

Hereby promulgates the following Decision:

Article (1) The Raise in Salaries of the Military Personnel

As of February 2005, salaries of the military personnel shall be raised in the following manner:

1. From the rank of private to the rank of first adjutant in the rate of 20% of the current gross salary.
2. From the rank of lieutenant to the rank of captain in the rate of 10% of the current gross salary.

Article (2) The Raises

These raises shall be deemed part of the raises, which will be approved in accordance with the Law.

Article (3) Enforcement of the Decision

This Decision shall be applicable to the military persons, who are enrolled in their units in the Palestinian security agencies and who are in active service thereat.

Article (4) Execution, Entry into Force and Publishing

All competent authorities, each within the sphere of its jurisdiction, shall implement the provisions of this Decision, which shall enter into force as of the date of its promulgation and shall be published in the Official Gazette.

Promulgated in the city of Ramallah on February 15th, 2005 *Anno Domini*, corresponding to Muharram 6th, 1426 *Anno Hegira*.

Ahmed Qurei'

Chairman of the Council of Ministers

Decision No. 1 of 2006 Concerning the Prohibition of the Exceptional Promotions in Military Functions

The Chairman of the Executive Committee of the Palestine Liberation Organisation,

The President of the Palestinian National Authority,

Based upon the powers bestowed upon me, and

In accomplishment of the public interest,

I hereby decide the following:

Article (1)

The suspension of all exceptional promotions in military functions and their restriction to the promotions pursuant to the law.

Article (2)

All competent authorities, each one within its sphere of jurisdiction, shall implement this decision which shall enter into force as of the date of its promulgation and shall be published in the *Official Gazette*.

Issued in the city of Ramallah on 19 January, 2006 AD, corresponding to 19 Thu al Hijjah 1426 AH.

Mahmoud Abbas

Chairman of the Executive Committee of the Palestine Liberation Organisation

President of the Palestinian National Authority

Decision No. 2 of 2006 Concerning the Prohibition of Replacement in the Military Appointments

The Chairman of the Executive Committee of the Palestine Liberation Organisation,

The President of the Palestinian National Authority,

Based upon the powers bestowed upon me, and

In accomplishment of the public interest,

I hereby decide the following:

Article (1)

The replacement of military officials, whose service expired for any reason whatsoever, with new officials in military functions shall be absolutely prohibited, except with the approval of the Minister of Finance.

Article (2)

All competent authorities, each one within its sphere of jurisdiction, shall implement this decision, which shall enter into force as of the date of its promulgation and shall be published in the *Official Gazette*.

Issued in the city of Ramallah on 19 January, 2006 AD, corresponding to 19 Thu al Hijjah 1426 AH.

Mahmoud Abbas

Chairman of the Executive Committee of the Palestine Liberation Organisation

President of the Palestinian National Authority

Decision No. 3 of 2006 Concerning the Prohibition of the Transfer of Officials between the Civil and Military Service

The Chairman of the Executive Committee of the Palestine Liberation Organisation,

The President of the Palestinian National Authority,

Based upon the powers bestowed upon me, and

In accomplishment of the public interest,

I hereby decide the following:

Article (1)

The transfer of officials of the Security Forces to ministries and governmental departments shall be absolutely prohibited.

Article (2)

The transfer of officials of ministries and governmental departments to the Security Forces shall be absolutely prohibited.

Article (3)

All competent authorities, each one within its sphere of jurisdiction, shall implement this decision, which shall enter into force as of the date of its promulgation and shall be published in the *Official Gazette*.

Issued in the city of Ramallah on 19 January, 2006 AD, corresponding to 19 Thu al Hijjah 1426 AH.

Mahmoud Abbas

Chairman of the Executive Committee of the Palestine Liberation Organisation

President of the Palestinian National Authority

Decision No. 4 of 2006 Concerning the Codification of the Privileges of Military Retirees

The Chairman of the Executive Committee of the Palestine Liberation Organisation,

The President of the Palestinian National Authority,

Based upon the powers bestowed upon me, and

In accomplishment of the public interest,

I hereby decide the following:

Article (1)

The withdrawal of all privileges awarded to military retirees in contravention of the provisions of the law. Nothing shall remain with the military retirees, including escorts, governmental vehicles, weapons, wireless communication devices and sundries, from which they benefited in virtue of their functions, with the exception of those excluded by decision of the Commander-in-Chief of the Armed Forces.

Article (2)

All competent authorities, each one within its sphere of jurisdiction, shall implement this decision, which shall enter into force as of the date of its promulgation and shall be published in the *Official Gazette*.

Issued in the city of Ramallah on 19 January, 2006 AD, corresponding to 19 Thu al Hijjah 1426 AH.

Mahmoud Abbas

Chairman of the Executive Committee of the Palestine Liberation Organisation

President of the Palestinian National Authority

Decision of the Council of Ministers No. 5 of 2007 Concerning the Disbursement of Financial Entitlements to Students of Policy Colleges, who are Present outside of the Homeland

The Council of Ministers,

Based upon the recommendation of the Minister of Interior; and

Based upon what the Council of Ministers approved in its session held in the cities of Gaza and Ramallah on February 5th, 2007 under No. (10/41/10),

Hereby promulgates the following Decision:

Article (1) The Disbursement of Entitlements

The Ministry of Interior shall be assigned to disburse all the financial entitlements of three hundred and fifty Palestinian students of Policy colleges, who are present in Dubai, Yemen, Egypt and Turkey in accordance with the list submitted by the Minister of Interior and National Security.

Article (2) Execution, Entry into Force and Publishing

All competent authorities, each within the sphere of its jurisdiction, shall implement the provisions of this Decision, which shall enter into force as of the date of its promulgation and shall be published in the Official Gazette.

Promulgated in the city of Gaza on February 5th, 2007 *Anno Domini*, corresponding to Muharram 17th, 1428 *Anno Hegira*.

Isma'il Haniyyah

Chairman of the Council of Ministers

Decree No. 33 of 2007 Concerning the Reorganisation of the Financial Affairs and Salaries of the Personnel of the Palestinian Security Forces

The Chairman of the Executive Committee of the Palestine Liberation Organisation,

The President of the Palestinian National Authority

Having reviewed the Amended Basic Law of 2003 and its amendments;

The Law No. 8 of 2005 of Service in the Palestinian Security Forces;

Based upon the recommendation of the Council of Ministers dated August 6th, 2007;

Based upon the powers vested in us; and

And based on the public interest considerations,

We hereby promulgate the following Decision:

Article (1) Organisation of Financial Affairs and Salaries

The financial affairs and salaries of the personnel of the Palestinian security forces shall be organised in the following manner:

1. Prevention of return, replacement of or enrolment on entries.
2. Restriction of security and military courses to the personnel of the security forces.
3. Termination of service of all personnel of the security forces, who are not committed to the legitimacy and who are not in active service.
4. Prohibition of all transferences from the civil service to the service in the Palestinian security forces and vice versa.
5. Those who are registered at the Management and Organisation Commission shall be deemed personnel of the Palestinian security forces. It shall be

utterly prohibited that any civil servant in any security agency or military personnel be registered in the Management and Organisation Commission with a fixed salary. It shall also be utterly prohibited that any personnel of the security agencies be registered in the Management and Organisation Commission while they are not present in the territory of the Palestinian National Authority.

6. A committee shall be established from the Ministry of Finance, General Personnel Council and Management and Organisation Commission to implement the provisions of Paragraph (5) above. This committee shall submit its recommendations to the Council of Ministers, within a maximum period of one month as of the prescribed date, with a view to adjusting the position of the personnel qualified to work and the personnel actually in active service as well as to terminate services of those who do not meet these two conditions.
7. Suspension of the fixed salary shall continue until functions of the committee, which are provided for under Paragraph (6) above, come to an end.

Article (2) Repealing

Anything that contradicts the provisions of this Decree shall be repealed.

Promulgated in the city of Ramallah on August 11th, 2007 *Anno Domini*, corresponding to Rajab 28th, 1428 *Anno Hegira*.

Mahmoud Abbas

Chairman of the Executive Committee of the Palestine Liberation Organisation

President the Palestinian National Authority

Decision of the Council of Ministers No. 17 of 2010 on the Bylaw on the Allowances and Expenses of Official Work Assignments and External Courts for the Palestinian Security Forces

The Council of Ministers,

Having reviewed the Amended Basic Law of 2003 and its amendments, particularly Article (70) thereof;

Having reviewed the Law No. 8 of 2005 of Service in the Palestinian Security Forces, particularly Articles (219), (75) and (157) thereof, and the table annexed to this Law;

Based upon the proposition of the Minister of Interior;

Based upon what the Council of Ministers approved in its session held on September 27th, 2010;

Based upon the public interest considerations; and

Based upon the powers vested in it,

Hereby promulgates the following Bylaw:

Article (1) Definitions

For the purposes of the enforcement of the provisions of this Bylaw, the words and expressions mentioned in it shall have the meanings ascribed thereto hereunder unless the context requires otherwise:

The Authority: The Palestinian National Authority.

The Minister: The Minister of Interior.

Official Assignment: The delegation of a member of the military personnel to attend a conference, seminar, or scientific symposium or to make a visit or a tour or

perform any similar matter for a period that does not exceed thirty days, whether the assignment is inside or outside of Palestine.

Training Course: The delegation of a member of the military personnel for training with the purpose that he or she acquires either or both scientific knowledge or scientific skill outside of Palestine for a period that does not exceed one year.

Scholarship: The delegation of a member of the military personnel to study at a recognised educational or training institution outside of Palestine for a period that exceeds eight months.

Delegation: A group that consists of two or more members of the military personnel to represent the Authority on an official assignment inside or outside of the territory of the homeland.

Order of Delegation: The administrative order issued forth by the Organisation and Management Commission, including the name of member of the military personnel who is delegated to the course or official work assignment, the location,

	duration and purpose of the course or official assignment, and the entity that sustains its costs.
Order on Termination of the Delegation:	The administrative order issued forth by the Organisation and Management Commission, including the actual date on which the delegated member of the military personnel completes the course and returns to the territory of the homeland.
Specialised Courses:	The administrative, field, planning, supervisory, technical, and legal leadership courses, which are related to a military, policy or security sphere.
Senior Command Courses:	The external course, in which a high-ranking officer is enrolled. These shall include the following courses: national defence, senior military staff, command, and staff.
Member of the Military Personnel:	Each officer, non-commissioned officer, or member of any security force.
Military Student:	Each Palestinian student, who is enrolled at military, policy or security universities or colleges outside of the homeland based upon the Minister's decision and recommendation of the Palestinian Training Commission. An order of delegation shall be issued forth by the Organisation and Management Commission. Said student shall be subject to the provisions of the Law of Service in the Security Forces.

Article (2) The Scope of Enforcement

1. This Bylaw shall be applicable to officers, non-commissioned officers, and members on active service in the security forces, who are subject to the Law No. (8) of 2005 of Service in the Palestinian Security Forces.
2. This Bylaw shall not be applicable to any nonofficial travel assignment.
3. The travel assignment shall be disbursed to the persons included under the provisions of this Bylaw from the travel assignment allowances of the Central Financial Department.

Article (3) Classification of Groups

The persons included under the provisions of this Bylaw shall be classified into the following groups:

The Special Group: This shall include

The officers who hold the ranks of Lieutenant General, Major General, Head of the General Intelligence agency, or Chairman of the Military Justice Authority.

The First Group: This shall include

The officers who hold the rank of Brigadier General.

The Second Group: This shall include

Military judges, members of the General Military Prosecution, and members of the military personnel who hold the rank of Colonel and Lieutenant Colonel.

The Third Group: This shall include

All members of the Palestinian security forces, who are not included under the groups mentioned above.

Article (4) Means of Transportation

1. In the event a member of the military personnel is tasked to perform an assignment or a course in a work station other than his, he shall be allowed to use the means of transportation which the competent Minister determines in accordance with the following table:

Group	By car	By aeroplane	By train
Special	Full	Business class	First class
First	Full	Business class	First class
Second	Full	Economy class	First class
Third	A seat	Economy class	Second class

2. The body that is responsible for booking travel tickets shall ensure departure and return within the shortest period possible, in which the official assignment or training course is conducted. The competent authority shall cover the expenses of early arrival and late departure.
3. The body that is responsible for booking travel tickets shall not arrange accommodation in transit and intermediate countries except in cases where an alternative is not in hand.

Article (5) The Official Work Assignment and Training Course outside of the Homeland

Any or all the allowances listed under this Bylaw, including travel tickets, shall be disbursed to the member of the military personnel, who is tasked with an official assignment or training course outside the territory of the homeland through the Central Financial Department.

Article (6) External Official Assignments

Official Assignments that are not Fully Hosted:

1. If living and accommodation expenses of the member of the military personnel during the period of the assignment are not covered by the inviting entity or any external entity and he did not receive from it cash amounts for such purpose, the amounts specified under Paragraph (2) of this Article shall be disbursed thereto for each night he spends for the purpose of performing the official assignment.
2. For the purposes of this Bylaw, foreign countries have been classified in terms of the allowances of travel assignments into four categories, for each thereof a lump sum amount shall be disbursed, as follows:

Country category as per the table annexed to this Bylaw	Non-hosted courses in US dollars
A	320
B	280
C	230
D	200

3. To be added to the allowances prescribed under Paragraph (2) of this Article shall be a sum of (40) US dollars for the Special Group, a sum of (20) US dollars for the First Group, and a sum of (10) US dollars for the Second Group for each night of the assignment.

Article (7) Fully Hosted Official Assignments

If the assignment is fully hosted, 25 per cent of the amounts prescribed under Paragraph (2) of Article (6) of this Bylaw shall be disbursed in accordance with the approved categories, in addition to the provisions of Paragraph (3) of Article (6) of this Bylaw.

Article (8) Hosted Official Assignments in Terms of Accommodation

If the assignment is hosted in terms of accommodation (hotel), (45%) of the amounts prescribed under Paragraph (2) of Article (6) of this Bylaw shall be disbursed in accordance with the approved categories, in addition to the provisions of Paragraph (3) of Article (6) of this Bylaw.

Article (9) Transportation Allowance

1. An allowance of transportation from the place of residence to the location of the assignment and from the location of the assignment to the place of residence in the amount of a lump sum (150) US dollars shall be disbursed to the member of the military personnel. This shall be inclusive of airport taxes, visa fees, et cetera, with the exception of the visa fees which are paid in addition to the transportation allowance.
2. In the cases where actual transportation costs are in excess of the amount specified under Paragraph (1) of this Article, the actual costs shall be disbursed for the whole journey, on condition that original

payment vouchers are enclosed, and subject to the provisions of Article (4) of this Bylaw.

Article (10) Transit and Intermediate Countries

1. The provisions of Articles (6), (7) and (8) of this Bylaw shall be applicable to transit countries, which are a necessary stop to arrive to the location of the official assignment.
3. The allowances provided for under Articles (6), (7) and (8) of this Bylaw shall be disbursed for one night only upon departure from the Authority-controlled territory and one night only upon return thereto via an intermediate country. In special cases, however, the whole period of stay in the intermediate country shall be counted following approval of the Minister.

Article (11) (Internal) Official Work Assignments

Any or all of the allowances listed under this Bylaw shall be disbursed to the member of the military personnel, who is tasked with an official assignment inside the territory of the homeland.

Article (12) Cost of Living Allowance

The cost of living allowance shall be disbursed in accordance with the following conditions:

1. The following amounts for the cost of living allowance for each night spent in the location of the official assignment:
 - a. The Special Group (40) US dollars per night of accommodation.
 - b. The First and Second Groups (35) US dollars per night of accommodation.
 - c. The Third Groups (30) US dollars per night of accommodation.
2. Half of the amounts stated above shall be disbursed in the event the assignment is performed without accommodation.

Article (13) Allowance for Hotel Accommodation Cost

If accommodation expenses of the member of the military personnel in hotels are not

covered by the inviting entity or if he did not receive cash amounts for such purpose, the actual amount of the hotel invoice for a single room shall be disbursed, excluding room service, provided that it does not exceed (100) US dollars for all groups.

Article (14) Transportation Allowance

Transportation allowance of a maximum limit of (100) US dollars from the place of residence to the location of the assignment and from the location of the assignment to the place of residence shall be disbursed in each direction.

Article (15) Documents and Supporting Evidence of the Internal Travel Assignment

Allowances of the internal official work assignment shall be disbursed in accordance with the following documents and supporting evidence:

1. The order of delegation and approval issued forth by the Minister or the person whom he authorises, specifying the following:
 - a. The rank of the delegated member of the military personnel.
 - b. Nature of the assignment in accordance with the following:
 - 1) Not hosted in terms of accommodation and cost of living.
 - 2) Fully hosted in terms of hotel accommodation or hospitality houses.
 - 3) Fully hosted in terms of accommodation and cost of living.
 - c. A copy of the invitation issued forth by the inviting entity, if any.
 - d. Date of start and end of the internal assignment.
2. The original invoices of hotel accommodation.
3. The financial claim issued forth by the Central Financial Department.
4. The letter of nomination issued forth by the head of agency, to which the member of the military personnel reports.

Article (16) Disbursement of the Official Work Assignment Allowance prior to Travel

1. The full amount shall be disbursed (in the country of the assignment) to the person tasked with an external official work assignment prior to travel.
2. The full amount shall be disbursed (in the country of the course) to the member of the military personnel who is assigned on a military training course prior to travel in case the duration of the course is one month or less. In case the duration of the course is more than one month, the amount earmarked for the course shall be disbursed on a monthly basis.
3. The person delegated on an official work assignment or training course shall submit to the relevant department, to which the delegated person reports, the following:
 - a. Documents listed under Article (38) of the Bylaw for external assignments and training courses.
 - b. Documents listed under Paragraphs (1), (2), (3) and (4) of Article (15) of this Bylaw for internal assignments.
 - c. The assignment shall be settled within a maximum period of (14) days from the date on which the member of the military personnel returns to his work station.

Article (17) Military Training Courses

Training courses designated for members of the military personnel shall be classified as follows:

1. Training courses that take place outside of military encampments.
2. Training courses that take place inside military encampments.
3. Internal and external scholarships at military, policy or security universities, or colleges.

Article (18) Classification of Training Courses outside Military Encampments

Training courses that take place outside of military encampments shall be classified as follows:

1. Specialised courses.
2. Senior Command courses.

Article (19) Specialised Courses that are not Fully Hosted

1. If living and accommodation expenses of the member of the military personnel during the period of the course are not covered by the inviting entity or any external entity, and he did not receive from it cash amounts for such purpose, the amounts specified under Paragraph (2) of this Article shall be disbursed thereto for each night he spends for the purpose of performing the official course.
2. For the purposes of this Bylaw, foreign countries have been classified in terms of the allowances of courses for members of the military personnel into four categories, as follows:

Country category as per the table annexed to this Bylaw	Non-hosted courses in US dollars
A	280
B	250
C	220
D	190

3. To be added to the allowances prescribed under Paragraph (2) of this Article shall be a sum of (20) US dollars for the Special Group, a sum of (15) US dollars for the First Group, and a sum of (10) dollars for the Second Group for each night of the course.

Article (20) Special Provisions on the Method of Disbursement for Non-hosted Specialised Courses

1. If the training course extends from one day to (14) days, the full allowances provided for under Paragraphs (2) and (3) of Article (19) shall be disbursed.
2. If the training course extends over (14) days up to a month, the first (14) days shall be disbursed in accordance with Paragraph (1) of this Article in addition to (60%) of the amount of the assignment for the remaining period up to a month.

3. If the training course is more than one month, the first month shall be disbursed in accordance with Paragraphs (1, 2) of this Articles, in addition to (10%) from the amount of assignment provided for under Paragraph (2) of Article (19) of this Bylaw, provided that the financial disbursement of the course does not exceed (60) days, in addition to the provision of Paragraph (3) of Article (19) of this Bylaw.

Article (21) Hosted Specialised Courses in Terms of Accommodation

If the course is hosted in terms of accommodation (hotel), (45%) of the total completed assignment shall be disbursed in accordance with the provisions of Article (19) of the Bylaw, provided that the financial disbursement of the course does not exceed (60) days.

Article (22) Fully Hosted Specialised Courses

If the course is fully hosted, (25%) of the total completed assignment shall be disbursed in accordance with the provisions of Article (19) of the Bylaw, provided that the financial disbursement of the fully hosted course does not exceed (90) days.

Article (23) Senior Command Courses

The provisions of Articles (19), (21) and (22) shall be applied to the process of calculating the allowances of Senior Command courses.

Article (24) Special Provisions on the Method of Disbursement for Senior Command Courses

1. If the training course extends from one day to (14) days, the full allowances provided for under Paragraphs (2) and (3) of Article (19) shall be disbursed.
2. If the training course extends over (14) days up to a month, the first (14) days shall be disbursed in accordance with Paragraph (1) of this Article in addition to (60%) of the amount of the assignment for the remaining period up to a month.
3. If the training course is more than one month, the first month shall be disbursed in accordance with Paragraphs (1, 2) of this Articles, in addition to (10%) from the amount of assignment for the remaining

period up to one year of the amount of the assignment provided for under Paragraph (2) of Article (19) of this Bylaw.

Article (25) Training Courses inside the Military Encampment

1. With respect to training courses that extend from one day up to (90) days, entitlements shall be disbursed as a lump sum amount on the basis of a single night in the country of the course, as follows:

Category	Hosted course in US dollars	Non-hosted course in US dollars
Private - First Adjutant	15	20
Lieutenant - Captain	20	30
Major - Colonel	25	35
Brigadier General - Lieutenant General	30	40

2. In addition to the provisions of Paragraph (1) of this Article, the transportation allowance and travel tickets shall be disbursed in accordance with the provisions of Articles (4) and (9) of this Bylaw.

Article (26) Training Courses inside the Military Encampment which Extend for More than (90) Days

1. With respect to the training courses, whose duration exceeds (90) days or more, entitlements shall be disbursed on a monthly basis in the country of the course in accordance with the following table:

Category	Hosted course in US dollars	Non-hosted course in US dollars
Private - First Adjutant	250 per month	350 per month
Lieutenant - Captain	300 per month	400 per month

Major - Colonel	350 per month	500 per month
Brigadier General - Lieutenant General	450 per month	650 per month

- In addition to the provisions of Paragraph (1) of this Article, the transportation allowance and travel tickets shall be disbursed in accordance with the provisions of Articles (4) and (9) of this Bylaw.

Article (27) External Scholarships at Military, Policy or Security Universities or Colleges

Financial allowances of the military student shall be calculated (in US dollars per month) in accordance with the following table:

Host countries	The amount designated thereto in US dollars per month
Arab countries	200
Asian countries	250
European countries, including Turkey and others	300

Article (28) Financial Allowance of the Military Student

- If the host university or college disburses a financial allowance to the military student, this amount of the student’s entitlements shall be deducted from the allowances provided for under Article (27) of this Bylaw. His due remaining entitlements shall be given to him.
- If the financial allowance, which the host entity grants to the student, is higher than his due allowances as per the table above, the student shall not be entitled to any of the financial allowances prescribed under this Bylaw.

Article (29) Provisions on Transportation Expenses and Travel Tickets of the Military Student

- A single ticket and transportation expenses in the amount of (150) US dollars

shall be disbursed to the military student. A return ticket shall be disbursed once upon graduation from the university or college, in which the military student is enrolled, in accordance with the provisions of Article (4) of this Bylaw.

- In the event the duration of education exceeds two years, an additional round-trip ticket shall be disbursed once to the military student in accordance with the provisions of Article (4) of this Bylaw.

Article (30) Terms and Conditions of Delegation

Terms and conditions of delegation on external military courses of various types shall be regulated in the form of instructions to be issued forth by the Minister.

Article (31) Coverage of Vacations and Official Holidays

The member of the military personnel, who is delegated on a long-term course, shall have the right to return to the territory of the homeland to cover the vacations and official and religious holidays granted thereto in accordance with the system of the course. The days of his vacation shall not be deducted from his due financial assignment.

Article (32) Discontinuance of the Course by the Member of the Military Personnel

In the event the member of the military personnel discontinues the course, on which he is delegated but which has not been able to complete for reasons of emergency, the competent Minister shall examine the matter. He shall have the right to count the assignment of the course for the delegated member of the military personnel within the days he spent on the course, together with the transportation allowances only.

Article (33) Treatment outside of the Homeland

Without prejudice to the provisions of Articles (210) and (211) of the Law of Service in the Palestinian Security Forces, when the delegated member of the military personnel sustains during the course or official work assignment an injury or illness, he shall receive immediate treatment in the host country. In the event the host entity or country, to

which the member of the military personnel is delegated, does not sustain expenses of the treatment, the Central Financial Department shall sustain the costs of his treatment based upon the Minister's decision and an official health authority's approval of the treatment report of the delegated member of the military personnel.

Article (34) Disbursement of a Travel Ticket

A ticket shall be disbursed only once to the officer who is enrolled on Senior Command courses and delegated for more than twelve months to visit his family in the territory of the homeland, in addition to the ticket disbursed to him to join the course, together with transportation expenses, in the amount of one hundred and fifty US dollars in accordance with the provisions of Article (4) of this Bylaw.

Article (35) Accompanying the Family

The provisions of Article (34) of this Bylaw shall not be applicable if the officer who is enrolled on Senior Command courses and delegated for more than twelve months wishes to accompany his family. Only travel tickets shall be disbursed to his wife and minor children, subject to the provisions of Article (4) of this Bylaw.

Article (36) Study Programme of the Course

1. If the programme of the course, on which the member of the military personnel is delegated, includes external visits to institutes and colleges of other countries, other than the country to which he is delegated, as a compulsory requirement in the study programme of the course, travel tickets shall be disbursed to the military student in addition to his entitlement to a travel assignment for such visit, subject to the provisions of Article (4) of this Bylaw.
2. The duration of the external assignment or visit shall be deducted from the duration of the original course, on which the military student is delegated, provided that the following documents are available (an official letter from the college, university, institute or centre of the host country, including information on the visit in terms of its location, duration, purpose and the entity that sustains costs

of the visit. The letter must be addressed to the Military Attaché or Ministry of Interior in the event a Military Attaché is available).

Article (37) Disbursement of Assignments and Travel Tickets

The Central Financial Department shall disburse the assignments and travel tickets to members of the military personnel after the member of the military personnel receives the approval of the Minister or the person who authorizes his delegation on the assignment or course based upon the recommendation of the Palestinian Training Commission and upon the issuance of the order of delegation.

Article (38) Documents and Supporting Evidence of the Travel Assignment and Military Training Course

The allowance of the assignment and course shall be disbursed in accordance with the following documents and supporting evidence:

1. The Special Group: A letter of travel on an external assignment or training course to be issued forth by the person authorised of expenditure for the purposes of performing an official assignment, in which the intended country and duration of the official assignment or course are clearly designated, in addition to the nature of the official assignment or training course and the entity that sustains the costs.
2. The First, Second and Third Groups: The letter of assignment and approval issued forth by the Minister or the person whom he authorises, provided that it includes the following:
 - a. Designation of the position grade of the person tasked with the official assignment or training course.
 - b. Specification of the nature of the official assignment or training course in accordance with one of the following classifications:
 - 1) Not fully hosted in terms of accommodation and cost of living.
 - 2) Hosted in terms of accommodation.

- 3) Fully hosted in terms of accommodation and cost of living.
- c. Designation of the country of the assignment.
- d. Designation of the date of start and end of the official assignment or training course.
3. The Special Group must submit a copy of the coordination letters and correspondence, which take place with the external entity and travel destination, if any.
4. The First, Second and Third Groups must submit a copy of the invitation issued forth by the inviting entity.
5. Decision of the Minister or the person whom he authorises on the delegation of the member of the military personnel to perform an official assignment or training course.
6. Photocopies of the passport, showing the stamps of entry and exit from airports or land border of the country, in which the official work assignment was performed, as well as the cities of transit in intermediate countries.
7. A copy of the electronic ticket.
8. Enclosure of the order of delegation.
9. In relation to training courses, all Special, First, Second and Third Groups must have the nature of the course clearly defined in the invitation in terms of hosting.
10. The financial claim issued forth by the Central Financial Department.
11. The letter of nomination issued forth by the head of agency, to which the member of the military personnel reports.

Article (39) The Actual Cost of Accommodation on the Non-hosted Assignment

In the event the amount of hotel accommodation during the non-hosted official assignment or training course (the duration of which is not beyond one month) is in excess of (65%) of the amount granted under this Bylaw, only the competent Minister may approve

the whole actual cost of accommodation in addition to all other allowances provided for under Articles (8) and (24) of this Bylaw, after the documents thus demonstrating are enclosed.

Article (40) Adjustment of Allowances

The Council of Ministers shall be entitled to adjust the allowances listed under this Bylaw from time to time based on the change of prices based upon a recommendation from the Minister of Interior.

Article (41) Repealing

The Decision of the Council of Ministers No. 41 of 2004 Concerning the Promulgation of the Bylaw on the Allowances and Expenses of Official Work Assignments, as well as anything that contradicts the provisions of this Bylaw, shall be repealed.

Article (42) Enforcement and Entry into Force

All competent authorities, each within the sphere of its jurisdiction, shall enforce the provisions of this Bylaw, which shall enter into force as of the date of its promulgation and shall be published in the Official Gazette.

Promulgated in the city of Ramallah on September 27th, 2010 *Anno Domini*, corresponding to Shawwal 18th, 1431 *Anno Hegira*.

Salam Fayyad

Prime Minister

Annex (1)

The Table annexed to this Bylaw on the classification of countries

Country	Category	Country	Category
Bahamas	B	Spain	A
Cayman Islands	B	Portugal	A
British Virgin Islands	B	Republic of South Korea	A
Czech Republic	B	Denmark	A
Estonia	B	Sweden	A
Romania	B	Germany	A
Australia	B	United Kingdom (Britain)	A
Ukraine	B	Norway	A
Saint Vincent and the Grenadines	B	Austria	A
Croatia	B	Ireland	A
China	B	United Stated	A
Serbia and Montenegro	B	Japan	A
Turkey	B	Green	A
Finland	B	Antigua and Barbuda	A
Slovenia	B	Italy	A
Kazakhstan	B	Bermuda	A
Bulgaria	B	Belgium	A
Luxemburg	B	Poland	A
India	B	Federal Republic of Russia	A
Nigeria	B	Saint Lucia	A
Azerbaijan	C	Switzerland	A
Lebanon	C	France	A
Albania	C	Canada	A
Jordan	C	Monaco	A
United Arab Emirates	C	Cyprus	A
Bahrain	C	Netherlands	A
Peru	C	Argentina	B
Algeria	C	Cameron	B
Saudi Arabia	C	Mexico	B
Ethiopia	C	Netherlands Antilles	B
Philippines	C	Iceland	B
Kuwait	C	Morocco	C

Country	Category	Country	Category
Malawi	C	Indonesia	C
Mauritius	C	Uzbekistan	C
Mozambique	C	Uganda	C
Sudan	C	Andorra	C
New Zealand	C	Barbados	C
Tunisia	C	Palau	C
Hungary	C	Nation of Brunei, the Abode of Peace	C
Saint Kitts and Nevis	C	Tanzania	C
Iraq	C	Thailand	C
South Africa	D	Grenada	C
Djibouti	D	Trinidad and Tobago	C
Yemen	D	Chile	C
Afghanistan	D	Turks and Caicos Islands	C
Ecuador	D	Dominican Republic	C
Uruguay	D	Republic of Slovakia	C
Eretria	D	Georgia	C
Republic of North Korea	D	Rwanda	C
Brazil	D	San Marino	C
Zimbabwe	D	Singapore	C
Taiwan	D	Syria	C
Bosnia and Herzegovina	D	Seychelles	C
Nauru	D	Oman	C
Bangladesh	D	Venezuela	C
Gabon	D	Qatar	C
Salvador	D	Kyrgyzstan	C
Senegal	D	Costa Rica	C
Somalia	D	Kenya	C
Niger	D	Latvia	C
Angola	D	Libya	C
Iran	D	Lithuania	C
Pakistan	D	Liechtenstein	C
Panama	D	Malta	C
Belarus	D	Egypt	C
Benin	D	Bhutan	D
Vanuatu	D	Botswana	D
Vietnam	D	Burkina Faso	D

Country	Category	Country	Category
Fiji	D	Uruguay	D
Cambodia	D	Burundi	D
Comoros	D	Bolivia	D
Cuba	D	Belize	D
Côte d'Ivoire	D	Chad	D
Columbia	D	Togo	D
Comoros	D	Turkmenistan	D
Cape Verde	D	Tonga	D
Kiribati	D	Timor-Leste	D
Liberia	D	Jamaica	D
Lesotho	D	Gambia	D
Martinique	D	Solomon Islands	D
Maldives	D	Marshal Islands	D
Mali	D	Republic of Central Africa	D
Malaysia	D	Democratic Republic of Congo	D
Mongolia	D	Lao Peoples Democratic Republic	D
Federated States of Micronesia	D	Zambia	D
Madagascar	D	Samoa	D
Macedonia (Former Republic of Yugoslavia)	D	São Tomé and Príncipe	D
Mauritania	D	Swaziland	D
Moldavia	D	Suriname	D
Montserrat	D	Sierra Leon	D
Myanmar	D	Sri Lanka	D
Namibia	D	Tajikistan	D
Nepal	D	Ghana	D
Nicaragua	D	Guatemala	D
Niue	D	Guyana	D
Haiti	D	Guinea	D
Honduras	D	Equatorial Guinea	D
		New Guinea	D
		Guinea-Bissau	D