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General conditions regarding the validity of a permit to employ foreign construction workers by foreign construction companies

A. Background

- A.1.** Pursuant to section 1M of the Foreign Workers Law 5751-1991 (hereinafter: "Foreign Workers Law" or "the Law"), the employment of foreign workers in Israel is conditional on obtaining a written employment permit from the "Commissioner" for the purpose of the Law, who is the Head of the Population and Immigration Authority, pursuant to section 1 of the Foreign Workers Law. By virtue of his authority, the commissioner shall be entitled to set out conditions for the validity of an employment permit and violation of one or more of the said conditions constitutes an offense under section 2(A)(2) and 1M of the Foreign Workers Law, and might result in the imposition of an administrative fine or filing an indictment and/or revocation/invalidation/restriction of the permit that was granted to the employer to employ foreign workers or making this permit subject to conditions.
- A.2.** The following are the conditions for the permit regarding the employment in Israel or foreign workers in the construction sector by foreign construction companies that are listed in the database of the Ministry of Construction and Housing, pursuant to Government Resolution no. 1321 (DR/60) dated 24.3.2016 regarding the recruitment of foreign construction companies (hereinafter: "Permit Conditions"). Pursuant to the said Government Resolution, as amended in Government Resolution 2256 dated 6.1.2017, the Permit Conditions shall also apply to the Turkish construction company Yilmazlar, Company No. 512304916, *mutatis mutandis*.
- A.3.** The Permit Conditions that are specified hereunder do not regulate the procedure regarding the application for a permit for the employment of foreign workers by foreign construction companies, and this procedure is regulated in the "Procedure for the employment of foreign construction workers by foreign construction companies" (procedure no. 9.4.0002 published in the internet website of the Authority in the following link: [Construction companies procedure](#)) and shall not derogate from its provisions but shall add thereto.



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A.4. It is clarified that the Permit Conditions were set out in addition to the obligations of the construction companies and Yilmazlar Company (hereinafter: "the Companies" or "the Company") in accordance with the provisions set forth in any law, including in accordance with the relevant collective agreements and extension orders and the obligations of any company in accordance with the procedures set forth by the Population and Immigration Authority (hereinafter: "the Authority").

A.5. The Companies are hereby informed that the Authority publishes from time to time updates, instructions, guidelines and explanations in the internet website of the Authority: [Authority website](#) and each Company is obligated to read the website for the purpose of receiving current information regarding the employment of foreign workers by foreign construction companies.


B. Conditions for the validity of the permit

B.1. Place of employment and employment area

B.1.A. The Company is obligated to employ the foreign workers only in the following occupations: formwork, iron bending, plasterwork and tiling. The Company may not employ foreign workers with a work visa in the construction sector in other occupations other than the said occupations and in this regard the Company is prohibited from employing foreign workers in supervision, inspection or management positions.

B.1.B. Pursuant to Government Resolution no. 317 dated 30.07.15 regarding "Targeted assistance for increasing the scope of construction activities for residential purposes", the Company shall be entitled to employ the foreign workers only in projects for residential construction (unless an Inter-ministerial team headed by the General Director of the Ministry of Construction and Housing approved in writing the exclusion of the project). For the purpose of this matter, residential construction is defined as construction of residential houses, houses with mixed uses and public institutions only. It is emphasized that the employment of foreign workers by the Company in construction other than construction for residential construction constitutes unlawful employment in accordance with the provisions set forth in section 2 of the Foreign Workers Law.



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B.2. Prohibition on employment in projects of a public entity

The Company may not employ workers in projects for the Government, municipalities, government companies, municipal construction companies and the construction companies that were formed in accordance with the law, and that is implemented in accordance with tenders that were published on 1/9/01 henceforth.

B.3. Framework of employment


B.3.A. The Company is obligated to employ the foreign workers directly and not as a manpower contractor.

B.3.B. The Company is strictly prohibited from transferring its employer-employee relationship with its workers to any entity, including a subcontractor.

B.3.C. The Company may not transfer its activities or obligations to a subcontractor or to any third party brokering between the Company and the foreign workers. For the avoidance of doubt, and without derogating from the generality of the aforesaid, it is clarified that the Company may not perform by anyone other than an employee of the Company the following actions towards foreign workers, *inter alia*: evaluation of the compliance of workers to work in companies, recruitment of workers for work, determining the amount of wages and other terms of employment of the worker, dismissal of workers, making decisions regarding relocation of workers between employers, current supervision of the workers including their terms of employment and wages and extension of the staying visa of the workers. The engagement of the Companies with a contractor or any other third party for the purpose of arranging one or more of these matters constitutes violation of the Permit Conditions and the provisions set forth in this Procedure.

B.3.D. The Company is obligated to be registered as the sole employer of the worker in the employment contract. The worker's pay slip must bear the name of the Company as a sole employer, and the deductions file number of the Company. In addition, the Company



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must be registered as the sole employer of the worker in the medical insurance policy.

B.3.E. Without derogating from the generality of the aforesaid, it is clarified that the Company shall be held liable for the acts of its workers and managers and it is under an enhanced obligation to supervise closely the acts of its workers and prevent illegal activities. In case illegal acts and violation of foreign workers' rights are discovered by any of the employees of the Company, the Company shall be held liable directly for the said acts and shall be subject to administrative and other sanctions in accordance with the provisions set forth in any law as long as it was not proven that the Company took reasonable training and supervision activities for the purpose of preventing these acts.

B.4. Prohibition on collection of fees for employment

The construction company is strictly prohibited to charge any fees from workers or any consideration for their services or reimbursement for their expenses; or deduct from their wages fees, levies, fines or any other amount except for the deductions permitted under the Foreign Workers Law and the regulations promulgated thereunder and in accordance with the Wage Protection Law 5718-1958


B.5. Engagement with a third party

The Company is prohibited from engaging with any third party that collects payments or that received payments from foreign workers, whether directly or indirectly, in or outside Israel.

B.6. Upholding obligations in accordance with Israeli labor laws

The Companies are obligated to act in accordance with the Israeli labor laws and the laws of the State of Israel towards the foreign workers that they employ. Violation of these laws also constitutes violation of the Permit Conditions.



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B.7. Transfer of workers

- B.7.A.** Receiving workers from another company is prohibited unless the employer that holds the permit obtained prior approval from the Payments Department in the Authority, that concentrates all matters pertaining to the construction companies and their workers.
- B.7.B.** The Company is prohibited from preventing the transfer of a worker to work in another company, in case the worker wishes to transfer to another company as aforesaid and the other company agreed to the said.
- B.7.C.** The Companies are strictly prohibited from trafficking workers and in this regard it is strictly prohibited to receive or collect, whether directly or indirectly, any payment or benefit for the transfer of a worker to another company and to pay, whether directly or indirectly, any payment or benefit for the transfer of a worker from another company.

B.8. Wages and terms of employment

- B.8.A.** The Company shall pay to each of the foreign workers his wages on time according to his scope of work by law and in any event each company is obligated to pay wages to each worker registered in that company in that month according to a scope of work that shall not fall below 211 hours per month (lawful payment for 182 standard hours in addition to lawful payment for 29 hours as overtime as a minimum) and this is even if the worker worked less hours per month. It is emphasized that the obligation is to make payment to the worker for 211 hours each month and this is not an annual average of hours of work.
- B.8.B.** The Company is obligated to pay to its workers that are employed in Israel the wages (including advances) solely to an account that is managed in a bank that was licensed in accordance with the provisions set forth in the Banking Law (Licensing) 5741-1981 (hereinafter: "Banking Law") that no other entity (except for the worker's spouse) is authorized or entitled to take action in the said account. In case the worker does not have a bank account that is




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managed in a bank that was licensed under the Banking Law, the Company will assist the worker to open an account in such a bank at the worker's choice and will guide the worker regarding the manner of using this account.

- B.8.C.** The Company is obligated to provide to each of the workers the terms of employment the worker is entitled to by law, including in accordance with the collective agreements and the extension orders applicable to the construction sector and in accordance with the Foreign Workers Law. In addition, the Company is obligated to deliver to the worker, upon commencement of his employment, a contract signed in the worker's language, a Rights Handbook in the worker's language and as published in the internet website of the Authority/drawn up by the Supervisor of Foreign Workers' Rights in the Ministry of Labor, and the key points in the insurance policy in the worker's language and to deliver to the worker detailed pay slips each month.
- B.8.D.** The Company shall be obligated to pay the wages of the foreign workers and provide all conditions the foreign workers are entitled to by law including in accordance with the extension orders and collective agreements in the construction and infrastructures sector.
- B.8.E.** The Company is obligated to pay all social-benefit payments by law in respect of employment of a foreign worker (such as National Insurance Institute fees, convalescence pay, sick pay, travel expenses, leave days etc.) in accordance with the provisions set forth in any law including in accordance with relevant collective agreements and extension orders.
- B.8.F.** The sectorial minimum wages paid to a foreign worker in accordance with the extension orders and the collective agreements that are in effect shall be calculated according to a scope of work of 211 hours per month (182 hours per month in addition to 29 additional hours) and the said amount shall be paid to the worker even if his scope of work is actually less than 211 hours. Nevertheless, the Companies are obligated to keep registration of the hours of work of the worker, and if the worker worked more than



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211 hours per month, the Company shall pay to the worker according to his actual hours of work.

B.8.G. The Company is obligated to keep for each of its foreign workers a chart with accurate details of the hours of work of the worker in Hebrew and in a language that the worker understands. The chart will be signed by the employer and by the worker every day. The Company will deliver each month a copy of the chart to the worker and will keep in its possession a copy of the chart for audit purposes. A worker that is absent from work due to leave or illness will confirm this in writing in a language he understands and the said confirmation shall come in lieu of the hours of work chart of that day.


B.8.H. The deduction of advance notice fees in accordance with the provisions set forth in the Advance Notice of Termination and Resignation Law, 5761 - 2001 from the wages of a worker that resigns from the Company is prohibited.

B.8.I. It is clarified that if the Company and the worker agreed in a written document on a permitted monthly deduction from the wages of the worker by law, and the Company did not deduct the said amount – in whole or in part – from the worker's wages for three months, contrary to the provisions set forth in the said document, the Company shall be prohibited from deducting the said amount in a later month or from the last wages of the worker. It is emphasized that the deductions are deductions that were permitted in accordance with the Foreign Workers Regulations and deduction in accordance with section 25(6)(E) of the Wage Protection Law.

B.8.J. The employment of a foreign worker in part-time job shall not be allowed and the Company is obligated to pay to the worker the full wages due to him according to his hours of work and in accordance with the provisions set forth in this Procedure as of the date of start of his employment/registration in the Company

B.8.K. In addition to any other obligation by law, including the applicable extension orders and collective agreements, the Company shall be obligated to provide employment conditions in accordance with the



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provisions set forth in chapter B of the Foreign Workers Law "Terms of employment" including:

- Medical certificate – section 1B.
- Employment contract – section 1C.
- Medical insurance – section 1D.
- Suitable living accommodations – section E1.
- Keeping of documents – section F1.
- Deposit for foreign workers – section 1K.
- Delivery of reports on wages that were paid and deductions from the wages of the foreign worker in Hebrew and English – section 2(b)(7) of the Foreign Workers Law and the provisions set forth in the Wage Protection Law.

B.9. Deposit


B.9.A. In addition to the wages and the social-benefit payments that the company is obligated to pay to foreign workers, each month the company is obligated to deposit for each foreign worker a sum designated as a deposit pursuant to section 1K(F) of the Foreign Workers Law and the Foreign Workers Regulations (Deposit for Foreign Workers), 5776-2016. The deposit shall come on account of social-benefit payments that the company is obligated to pay for the foreign worker for severance pay and pension, as stated in detail in the "Deposit procedure for foreign workers employed in the construction sector, in unique technology or in nursing care agencies" (Procedure no. 9.0.0003, published in the internet website of the Authority in the link: [Procedure 9.0.0003](#)).

B.9.B. Deduction of the deposit amount from the worker's wages is prohibited.

B.10. Additional obligations and prohibitions



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B.10.A. Any document or notice that the Company delivers to its workers shall be written in a language that the worker understands and the Company shall keep proof that the worker received the document, such as the signature of the worker on the document or any other admissible proof of delivery.

B.10.B. The Company and its workers shall cooperate with authorized supervisors and officials of the Population and Immigration Authority and the Ministry of Labor at any time in connection with the performance of the terms set forth in the Procedure and the laws, whether in inspections that are conducted in the place of employment of the foreign workers, whether by delivery of any required document and whether by appearing to any inquiry or investigation, if required.


B.11. Fees and additional payments

The following are the annual payments that the construction companies are obligated to pay to the Authority according to the relevant amounts (these amounts are updated on January 1st in each year) as of the date of publishing this Procedure:

- An application fee for each foreign worker that the construction company wishes to employ (section 1J of the Foreign Workers Law).
- Annual permit fees for each worker (section 1J1 of the Foreign Workers Law) – in accordance with the provisions set forth in the Foreign Workers Regulations (Permit Fees) (Amendment) 5777-2017, the construction company shall be exempt from payment of the permit fees for two years as of the date of obtaining the permit for the first time, and the said obligation shall apply to Yilmazlar Company as of 1.3.2018.
- Annual fee for each foreign worker (section 1J of the Foreign Workers Law).
- Entry visa and annual work license fee for each foreign worker that the company wishes to employ.
- Guarantee – the Authority hereby announces that future Regulation will set out the obligation of the construction companies and Yilmazlar Company to



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deposit with the Authority a guarantee to assure performance of their undertakings towards the foreign workers. In the draft of the Regulations it is stated that the guarantee amount shall be half of the amount set out in Regulation 3A(1)(B) in the Employment of Employees by Manpower Contractors Regulations (Guarantee), 5756-1996 for each foreign worker in the construction sector for whom it requests a permit for his employment or NIS 254,974, whichever is higher. However, the process of promulgation of the regulations was not completed yet and it requires consultation with the public and the approval of the Knesset. The guarantee amount might vary as part of this procedure. Therefore, after completion of the legislation process the deposit of the guarantee in the final amount that is determined following the approval of the Knesset and extension of its effect on the dates set out for that purpose shall constitute a condition for the effect of the permit and failure to deposit a guarantee and/or failure to extend the guarantee might give rise to grounds for refusal to issue the permit or revocation of the permit.

