

THE SECURITIES ACT

)

Order No. 3036

)

Section 20

)

August 22, 2000

**STATE OF ISRAEL
ZERO COUPON CANADIAN DOLLAR SAVINGS BONDS
INFRASTRUCTURE AND ABSORPTION ISSUE**

WHEREAS:

(A) The State of Israel has applied to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(a) of *The Securities Act* R.S.M. 1988, C.s50 (the "Act") exempting from the prospectus requirements contained in section 37 of the Act, the offering of Bonds (as defined below).

(B) The Applicant has represented to the Commission that:

(a) the State of Israel is proposing to offer in book entry form only the aggregate principal amount of Cdn. \$200,000,000 Zero Coupon Canadian Dollar Savings Bonds and Infrastructure and Absorption Issue due ten years from the date of issue. Each Bond will become due ten years from its issue date. No interest will be payable on the Bonds until maturity, at which point the holders thereof will receive the base amount denomination of \$6,000 Cdn. or an integral multiple of \$6,000 for each Bond;

(b) the Bonds are to be offered to the public through Canada-Israel Securities, Limited which is registered as a broker (restricted) under the Act and/or through other persons or companies (the "Other Registrants") holding a registration under the Act which would enable such persons or companies to engage in trades with respect to the Bonds;

(c) A form of offering memorandum describing the Bonds (the "Offering Memorandum") has been filed with the Commission.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

1. THAT, pursuant to Section 20 of the Act, Section 37 of the Act does not apply to the offering and sale to the public in Manitoba of the Bonds through Canada-Israel Securities, Limited or through Other Registrants subject to the following conditions:

(a) sections 55 and 56 of the Act shall apply to the Offering Memorandum as if it was a final prospectus filed under section 37 of the Act; and

(b) a copy of the Offering Memorandum, or the amended or new Offering Memorandum, as the case may be, shall be delivered to every purchaser (a "Purchaser") of the Bonds and each Purchaser shall have the same rights of withdrawal and rescission as the Purchaser would have if a final prospectus had been filed pursuant to section 37 of the Act.

2. **THAT** the fee for this order is \$1,000.00.

BY ORDER OF THE COMMISSION.

Director - Legal