THE SECURITIES ACT)	Order No. 3550
)	
Section 20)	October 29, 2001

STATE OF ISRAEL

WHEREAS:

- (A) The State of Israel (the "Applicant") has applied to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of *The Securities Act*, R.S.M. 1988, C.s50 (the "Act") exempting intended trades in Securities (defined below) from the prospectus requirements of section 37 of the Act.
- **(B)** The Applicant has represented to the Commission that:
 - (a) the Applicant is a country and is not a reporting issuer under the Act;
 - (b) the Applicant intends through its agent, Canada-Israel Securities, Limited (the "Agent"), to distribute securities consisting of evidences of indebtedness of the Applicant, including bonds, notes and certificates (the "Securities"), in Manitoba and other Canadian jurisdictions;
 - (c) the Securities will be non-transferrable and non-assignable except in certain specified circumstances and may not bear interest;
 - (d) the Securities are to be offered to the public through the Agent which is registered as a broker (restricted) under the Act, and/or through other persons or companies whose registration under the Act allows them to engage in trades with respect to the Securities (the "Other Registrants");
 - (e) a form of offering memorandum describing the Securities will, in every case, be filed with The Manitoba Securities Commission (the "Commission") prior to the offering of securities through the Agent or Other Registrants;
 - (f) an investor who acquires securities pursuant to this order, prior to or concurrent with the acquisition of Securities as appropriate, will be provided with a copy of the prospectus relating to United States Dollar Denominated Securities as filed with the United States Securities and Exchange Commission (the "SEC") or a copy of the offering memorandum relating to Canadian Dollar-Denominated Securities, as the case may be (collectively, the "OMs"), to which in each case is incorporated by reference the description of the Applicant which appears as an exhibit to the Applicant's most current Annual Report on Form 18-K to the SEC, which disclosure documents (collectively, the "Disclosure Documents") provide relevant information respecting the Applicant and the Securities;

- (g) the offering of the Securities is exempt from the registration and prospectus requirements under the securities legislation of Alberta, Saskatchewan, Ontario, Nova Scotia. Prince Edward Island and Newfoundland:
- (h) the offering of Securities are exempt from the registration and prospectus requirements under the securities laws of British Columbia by discretionary relief;
- (i) the Commission has granted numerous orders giving discretionary relief from the prospectus requirements of the Act for offerings of Securities made in the past.
- (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 subsection 20(1) of the Act, Section 37 of the Act does not apply to trades of the Securities through Canada-Israel Securities, Limited or Other Registrants subject to the following conditions:
 - (a) sections 55 and 56 of the Act shall apply to the OM as if each was a final prospectus under Section 37 of the Act; and
 - (b) a copy of each OM, or the amended or new OM's, as the case may be, shall be delivered to every purchaser (a "Purchaser") of the Securities, 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

Deputy Director - Legal