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Rejection of a request for approval of a class action against Delek Group

News

Our firm represented Delek Group and officers in a request for the approval of a class action lawsuit against them totaling approximately NIS 91 million on the grounds that the company's financial reports contained misleading information concerning tax liability of Delek Hungary (its subsidiary). According to the claimant, the company acted unlawfully by removing a provision in its financial records related to tax liabilities of approximately NIS 170 million, following the district court's acceptance of Delek Hungary's appeal against the tax assessment, and when it did not make a new provision after an appeal was filed to the Supreme Court, which was later accepted. The claimant argued that when the deduction was dismissed, it was clear that the district court's ruling would be overturned by the Supreme Court. The Economic Department of the Court rejected the approval request and accepted (among other things) our claims that the respondents acted lawfully and as expected when they relied on the district court's ruling and the legal opinions of external consultants who represented them in tax proceedings regarding their assessment of the chances of appeal to the Supreme Court.

Key Contacts



Yaron Elhawi
Mediator, Partner



Ofer Fleischer
Partner



Noa Even Sapir
Partner



Rotem Wojakovsky Raber
Associate