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The administrative enforcement procedure is being utilized to inappropriately expand the Israel Securities Authority's scope of authority

News

According to the Israeli newspaper, Calcalist, Dr. Zvi Gabbay, a partner at Gornitzky and former Head of Enforcement at the Israel Securities Authority, believes that two recent decisions rendered by an Administrative Enforcement Tribunal are indicative of the ISA's attempt to utilize the administrative enforcement procedure in order to broaden the scope and type of entities that are under its supervision, such as the non-public companies Tnuva and Apax and day trader Rafael Dahan.

"I believe that the administrative enforcement proceeding is good and appropriate, and yet it seems that the ISA utilizes it to expand the scope of its authority, and that is not what it was intended for," said Dr. Zvi Gabay. "Of the only two decisions that the Administrative Enforcement Committee publicized thus far, you can see a clear trend towards organizations and people who are not supervised by the ISA. It is inappropriate to take advantage of the process for expanding control."

Dr. Gabbay was interviewed in response to the Administrative Enforcement Committee decision rendered in the matter of Refael Dahan, an independent investor, whose daily investment activities were interpreted by the ISA as deliberate influence on certain share prices.