



Legal Update: Aviation Law

November 2018

Dear Clients,

We are pleased to provide you with important recent updates from the international transport and tourism sector.

Proposed Amendment to the Consumer Protection Law (Amendment no. 56) (Cancellation of a distance sale transaction for the provision of tourism services outside of Israel), 5778-2017

Following the legal update which we sent to you in June 2018 we are pleased to report that yesterday morning the above referenced proposed amendment passed its first reading in the Knesset. Under the proposed law a dealer will be permitted to offer a consumer a non-refundable transaction for tourism services fully provided outside of Israel as follows:

1. A transaction for which the consumer has the right to cancel in accordance with the provisions under the Consumer Protection Law 5741-1981 relating to distance sales (i.e. 14 days after the date of execution of the order and no less than seven days before the provision of the service, not including days of rest) minus the lower of either the cancellation fees at the rate of 5% of the value of the transaction or NIS 100;
2. A transaction for the provision of a service pursuant to what is detailed herein above under item number 1, that has cancellation terms which are the same as the service provider's cancellation policy, including for a non-refundable transaction, and including the duty to disclose the applicable cancellation policy.

It was also agreed in yesterday's meeting of the Economic Affairs Committee that representatives of the various government ministries, representatives from the tourism sector, including the airlines, the Israel Association of Travel Agencies, the Hotel Association and representatives from the car sector, will work towards creating a similar arrangement also for the travel services, including flights operated within Israel, and from and to Israel, according to a similar formula – i.e. that the consumer will be offered the option to enter a non-refundable transaction subject to the above

described provisions.

Our law firm is working in close cooperation with the relevant entities in order to advance this proposed law.

International Tourism – Amendment to Regulation 500(7) of the Civil Procedure Regulations 1984 – Commencing in November 2018

Following our October 2018 legal update on the amendment to the Civil Procedure Regulations 1984 (hereinafter: the "**Regulations**") which is set to come into force in September 2019, including the amendment to regulation 500(7) - which deals with the court's authority to grant leave for service of pleadings outside of the jurisdiction of the State – we update you in this legal update that the Ministry of Justice has submitted a proposal that the amendment to regulation 500(7) come into force already at the present time. It is still not clear when the amended law will come into force in practice; however we will of course update you with any developments.

As you may recall, the newly amended regulation establishes that in order to receive leave for service outside of the jurisdiction under regulation 500(7) it is sufficient to demonstrate that the **damage** caused to the plaintiff was sustained in Israel provided that the defendant could foresee that the damage could occur in Israel. Under the amended regulation a claim will be able to be brought in Israel for damage caused within Israel even when the act or omission which caused the damage occurred outside of Israel.

This is a significant amendment to the current law which also displaces the leading Supreme Court precedent of Mizrahi v. Nobel Explosives Co. Inc., PD (32)115 (1978) in which the Court held that it is not sufficient to show that the **damage** was caused in Israel in order to receive leave for service outside of the jurisdiction under regulation 500(7), but rather it is necessary to show that the act or omission was carried out in Israel.

Sincerely,

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