

January 2025

Terms and Conditions of the MAOF Business Support Services

1. General

- 1.1. The MAOF Business Support Services (hereinafter: "**the MAOF Services**"), run by the Small and Medium-Sized Business Agency (SMBA) in the Ministry of Economy and Industry, are among the range of services the Ministry offers entrepreneurs and businesses to encourage and promote Israel's business sector.
- 1.2. The MAOF Services are designed to assist and accompany entrepreneurs and businesses in various ways in areas related to their business.
- 1.3. The goal of the MAOF Services is to help businesses and entrepreneurs grow, improve performance and increase profitability.

2. Definitions

- 2.1. **Feasibility study** – a study which examines whether the business /entrepreneur meets the threshold conditions of various funds and which funds are relevant to apply for (Go / No-Go analysis). For the avoidance of doubt, this is the preliminary phase of preparing a business plan and does not guarantee obtaining approval for a loan.
- 2.2. **International ecommerce arena** – an existing platform (an existing website) in a foreign language that offers a large variety of products. A commercial arena is a kind of "mall" that allows merchants to set up product stores product pages for a fee, or for free within the platform, and (in most cases) allows surfers-buyers to make purchases and rate the store owners and give them a score on their products/services and other parameters.
- 2.3. **Consultant** – an expert in his field, who the MAOF has authorized to provide consulting services in accordance with requirements.
- 2.4. **Entrepreneur** – an individual applicant for MAOF Services and an I Israeli citizen, interested in establishing future business operations.
- 2.5. **Tangible product** – a product that has undergone a manufacturing process, and can be transported from point A to point B.
- 2.6. **Project** – an individual entrepreneur or a number of entrepreneurs who join forces to establish a startup.
- 2.7. **Business Support Manager** – a MAOF employee who conducts a process mapping session for the business, advises it on which services will optimally beneficial, and accompanies the business throughout the process until services have been rendered.

- 2.8. **Ecommerce** – commerce carried out via the Internet.
- 2.9. **MAOF** – The body that provides Business Support Services directly to entrepreneurs and SMEs through operators and the SMBA.
- 2.10. **Operator** – a person selected by the SMBA in a tender to provide the MAOF Services and who is responsible to the SMBA for handling and accompanying the businesses and entrepreneurs that receive these services.
- 2.11. **Lecturer** – an expert in his field, who the MAOF has authorized to provide training services in accordance with the requirements of the SMBA.
- 2.12. **Full-time position** – a minimum of 182 monthly hours.
- 2.13. **Business** –
- 2.13.1. An applicant for the MAOF Services who meets the following requirements:
 - 2.13.1.1. Is a licensed or exempt business, or a financial institution, as defined in the Value Added Tax Law, 1975.
 - 2.13.1.2. Engages in business operations.
 - 2.13.1.3. Has one hundred (100) employees, or an annual transaction turnover that doesn't exceed NIS 100,000,000 (one hundred million shekels).
 - 2.13.1.4. Is not a supported or budgeted entity and does not appear on the list of supported or budgeted entities. ([Link](#) to the list of supported and budgeted entities).
 - 2.13.1.5. A business consolidation, as defined in the VAT Law, is not eligible for assistance. Only individual businesses that meet the eligibility criteria can receive assistance. To prove eligibility, you must present a business license and/or your company's registration certificate.
 - 2.13.2. The size of the business applying for MOAF Services is determined by the number of people it employs:
 - 2.13.2.1. **Microbusiness** – An applicant for MAOF Services who employs up to 4 people.
 - 2.13.2.2. **Small business** – An applicant for MAOF Services who employs between 5 to 10 people.
 - 2.13.2.3. **Medium-sized business** – An applicant for MAOF Services who employs between 11 to 100 people.
 - 2.13.3. The number of employees to be counted for the purpose of Section 2.10.2 are as follows:

- 2.13.3.1. The salaried employees working for the applicant of the MAOF Services during the month preceding the date of the business process mapping session, or alternatively the average number of salaried employees working in the business during the three months preceding the date of the business process mapping session.
- 2.13.3.2. The total number of full-time independent contractors who have been working with the business for at least six months, or a business owner employed by the business, on the condition that the business isn't a company. For the purpose of this Section, only the position of an independent contractor or business hired at least half-time (50%) in the business can accrue to a full-time position.
- 2.13.3.3. Contractors will not be counted.
- 2.13.4. To determine the size of the business, the applicant for MAOF Services must present the following documents:
 - 2.13.4.1. To determine the number of salaried employees – Form 102 or Form 126, must be presented and must include monthly details. To prove the scope of independent contractors or a position in the business held by the business owner, an Independent Contractor Declaration, specifying the scope of employment, must be attached to the application (Appendix V).
 - 2.13.4.2. To determine the number of foreign employees / non-resident employees – Form 102 must be attached to the application, and must include the foreign employees, or a report to the Population and Immigration Authority with details of the employees.
 - 2.13.4.3. To prove the annual turnover of transactions, an audited financial statement, or a VAT report for the tax year that ended, or a certificate from the business's CPA that includes the business's annual turnover, must be presented.
- 2.14. **Ecommerce platform** – Internet infrastructure adapted to mobile browsing, that will enable the display of products and their prices and online purchasing with clearing and shipping.
- 2.15. **MAOF Business Community** – An online community of entrepreneurs or businesses that operates on a digital platform (Facebook / WhatsApp / Google group) and also engages in offline operations. The purpose of this community is to advance the business operations of its members.

- 2.16. **Change in status** – A change in the size of the business due to an increase in the number of its employees, as detailed in Section 2.13.2, or an entrepreneur who became a business.
- 2.17. **Industry** – "Businesses engaged in the conversion of materials or components into new products (including businesses engaged in manufacture, assembly, packaging, maintenance) and businesses engaged in the repair of machinery and equipment. This does not include the assembly of products at construction sites, units for the repair of vehicles, appliances, equipment and household accessories."

3. The MAOF Services include the following:

- 3.1. Consulting services in various areas, as outlined in Section 6.
- 3.2. Assistance in obtaining financing from funds, as outlined in Section 7.
- 3.3. Training, as outlined in Section 8.
- 3.4. Conferences, as outlined in Section 9.
- 3.5. Entrepreneurship programs, as outlined in Section 10.
- 3.6. MAOF Business Communities, as outlined in Section 11.
- 3.7. Ecommerce Track, as outlined in Section 12.
- 3.8. Sales Growth Track for the Ultra-Orthodox population, as outlined in Section 13.
- 3.9. "Business Revival in the Gaza Envelope" program / "Shahar LaTzafon" program for entrepreneurs and businesses, as outlined in Section 14.

4. Threshold conditions for receiving MAOF Services (cumulative)

- 4.1. The applicant for MAOF Services must be an entrepreneur or a business.
- 4.2. The applicant for MAOF Services must be at least 18 years of age.
- 4.3. An applicant for MAOF Services defined as a business must meet the following cumulative conditions:
- 4.3.1. The business is not in receivership or liquidation, etc., and has no unregulated debts to the Ministry of Economy and Industry.
- 4.3.2. The business is located and run in Israel.
- 4.3.3. The business does not already receive assistance from the government for operations for which assistance is provided within the framework of MAOF.
- 4.4. The business must meet all the eligibility criteria for the MAOF Services, as outlined in Sections 6-14 below.
- 4.5. The business must sign a declaration in respect of the MAOF Services (see Appendix I).

5. Process of receiving MAOF Services

The process includes a business process mapping session, the provision of the MAOF Services, and support and assistance to the recipient of these services, as detailed below:

5.1. **Business process mapping session**

5.1.1. An entrepreneur / business (hereinafter: “**Business Support Recipients**”) are required to attend a business process mapping session prior to receiving the MAOF services, with the exception of training and any other support service specified in these Terms and Conditions.

5.1.2. Eligibility criteria for a business process mapping session (cumulative)

5.1.2.1. The Business Support Recipient must be an entrepreneur or a business.

5.1.2.2. An entrepreneur that has not had a business process mapping session in the past.

5.1.2.3. If, in the past, a business had a business process mapping session with MAOF, and two years have elapsed since that session, the business is entitled to an additional mapping session. In the event of a change in status (as specified in Section 2.12), the business is entitled to an additional mapping session if at least six months have elapsed since the first mapping session. A transition from Consulting Track D to Consulting Track E, as specified in Sections 6.3.4-6.3.5 shall not be considered a change in status for the purpose of receiving an additional process mapping session.

5.1.3. Procedure for a business process mapping session:

5.1.3.1. In the business process mapping session, a Business Support Manager shall map out the needs and challenges of the Business Support Recipient, after which he /she shall formulate a situation report in accordance with the objective of the process mapping, and specify a plan (hereinafter: **the Business Support Plan**) tailored to the needs of the Business Support Recipient.

5.1.3.2. After examining the eligibility of the Business Support Recipient, the Business Support Manager shall submit a summary of the process mapping, detailing the eligibility of the Business Support Recipient.

5.1.3.3. After the business process mapping, the Business Support Recipient will receive a summary of the process mapping and the Business Support Plan.

5.1.3.4. The Business Support Manager may update the Business Support Plan at any time.

5.1.3.5. The business process mapping shall be completed no later than 10 working days from the date of the process mapping session.

5.2. **Assisting the Business Support Recipient**

5.2.1. The Business Support Manager who conducts the process mapping will assist the Business Support Recipient during the period he receives the MAOF Services, unless otherwise authorized by his superiors.

5.2.2. After receiving the MAOF Services, and no later than 14 working days from the end of the provision of all the services, the Business Support Manager shall present the Business Support Recipient with a summary of the MAOF Services rendered.

6. **Consulting services**

6.1. **Objectives**

6.1.1. Impart knowledge and tools in a range of subjects, aimed at improving the Business Support Recipient's business operations and his ability to survive and grow.

6.1.2. Provide the Business Support Recipient with professional assistance as part of the business building process.

6.2. **Eligibility criteria**

6.2.1. A Business Support Recipient is eligible for an allocation of consulting hours — in accordance with the maximum allotment of hours specified in Section 6.3 below — once every two years from the date of his last business process mapping session.

6.2.2. Notwithstanding the foregoing in section 6.2.1 above, in the event that the Business Support Recipient has changed status, he will be entitled to an allocation of additional hours in accordance with his updated status. It should be clarified that switching between Track D and Track E (listed in Section 6.3 below), still entitles the business to an allocation of an additional 50-hour consulting package, even if the business has not had an additional process mapping session, and provided the business is still in the eligibility period.

6.2.3. Consulting in the area of business licensing – a business that is subject to a license and has not completed the process of obtaining a license.

6.2.4. Standardization consulting – eligibility for standardization consulting does not apply to mandatory standards for the conduct and licensing of businesses that are required by law, or to procedures of government ministries.

6.3. Scope of assistance

- 6.3.1. Consulting Track A: Up to 15 consulting hours for entrepreneurs in the pre-startup phase.
- 6.3.2. Consulting Track B: Up to 20 consulting hours for microbusinesses with up to 4 employees.
- 6.3.3. Consulting Track C: Up to 60 consulting hours for businesses with 5-10 employees.
- 6.3.4. Consulting Track D: Up to 100 consulting hours for businesses with 11-50 employees.
- 6.3.5. Consulting Track E: Up to 150 consulting hours for businesses with 51-100 employees, or over 100 employees if the turnover of the business was up to NIS 100 million in the previous calendar year.
- 6.3.6. Important details
 - 6.3.6.1. Consulting services in Tracks B to E can be provided in one area of expertise or in several areas of expertise concurrently, according to distribution for the consulting package.
 - 6.3.6.2. Consulting hours for Tracks C to E will be provided according to the distribution for assistance packages only, as specified below.
 - 6.3.6.3. A "consulting package" offers consulting services with a single consultant in a specialized or sub-specialized area.
 - 6.3.6.4. Consulting hours are offered in packages of 15/20/30/40/50 hours, with the exception of Consulting Tracks A and B, or the **last** consulting package of the Business Support Recipient in all tracks.
 - 6.3.6.5. The package may be utilized within six months from the date of the work order for consulting (hereinafter: "**Package Utilization Period**").
 - 6.3.6.6. The Business Support Manager may extend the Package Utilization Period by a maximum of three months. An additional three-month extension may be given with the approval of the operations manager or the VP of professional services, provided that the Package Utilization Period does not exceed a year in total.
 - 6.3.6.7. By the end of the Package Utilization Period the consulting hours will have been carried out and a consulting report will have been submitted to the SMBA, signed by the consultant and the Business Support Recipient and approved by the Business Support Manager.

- 6.3.6.8. In addition to the above-mentioned tracks, the SMBA may add an additional framework of consulting hours for Business Support Recipients, which will be published from time to time on the SMBA website, as specified in in these Terms and Conditions.
- 6.3.6.9. The total number of consulting hours and the types of assistance packages for which the Business Support Recipient is eligible will be determined within the framework of the Business Support Plan to be specified by the business Support Manager during the business process mapping.
- 6.3.6.10. **Assistance in obtaining financing in the regular track of the State Guarantee Fund** - a service recipient who applies for assistance in obtaining credit in the regular track of the State Guaranteed Fund, may carry out a business plan of up to 10 hours of consultation from the business's basic eligibility.
- 6.3.6.11. **Assistance in obtaining financing for the state guarantee fund:**
- 6.3.6.11.1. Businesses that have been identified by the bodies mentioned below, as having a medium or high risk in the framework of a loan approval from the fund, or in the framework of the coordinating body's visit to the business, will be entitled to 10 additional financial consulting hours (in accordance with the rates detailed in Appendix III to these Terms and Conditions) beyond the basic eligibility detailed in these Terms and Conditions
- 6.3.6.11.2. The bodies authorized to refer the business for consultation are the bodies that coordinate the fund on behalf of the state (BDSK – A. Ben-David CPAs).
- 6.3.6.12. **Consultation for business owners on reserve duty:**
- 6.3.6.12.1. Eligibility:
- 6.3.6.12.1.1. Business owners on reserve duty should register for this consultation on the official website of the IDF. The registration, screening and eligibility process will be carried out solely under the responsibility of the IDF. The IDF will send the SMBA the list of businesses that are eligible for this consultation.
- 6.3.6.12.1.2. An appeal pertaining to eligibility should be submitted to the relevant IDF officials.

6.3.6.12.1.3. Eligibility is one-time only.

6.3.6.12.2. Scope of service:

6.3.6.12.2.1. 10 additional hours of consultation at no cost.

6.3.6.12.2.2. Process mapping at no cost to business owners who meet the eligibility criteria and are not in an eligibility period.

6.4. Consulting process

6.4.1. After completion of the business process mapping, the Business Support Manager will refer the Business Support Recipient to a number of consultants for each area of consulting.

6.4.2. The Business Support Recipient may speak with the consultants (at no charge) before choosing which one(s) to work with. This choice shall be at the sole discretion of the Business Support Recipient.

6.4.3. The Business Support Recipient shall give a MAOF representative the name(s) of the consultant(s) he has chosen within 10 working days from the date of referral, as specified above.

6.4.4. Once the Business Support Recipient has chosen his consultant(s), the MAOF shall issue the consultant(s) a work order. The consulting process shall begin no later than 10 working days from the date of issuing the said work order.

6.4.5. For consulting packages of over 5 consulting hours: The consultant shall present the Business Support Recipient with a work plan for each consulting package, which he will approve with his signature. The work plan will describe the work method and will include a consulting schedule based on the needs of the Business Support Recipient.

6.4.6. During the consulting process, the consultant may sign the Business Support Recipient on a consulting contract.

6.4.7. The Business Support Manager shall accompany the Business Support Recipient to consulting sessions, by providing answers to questions and issues that arise, and will coordinate between the consultant and the Business Support Recipient until the end of the consulting period, which will be summarized in a meeting with the Business Support Manager, the Business Support Recipient and the consultant.

6.5. General provisions

6.5.1. The Business Support Recipient is prohibited from receiving consulting services from a consultant whom he employed, directly or indirectly, four months prior to the process mapping session.

- 6.5.2. The MAOF nor any of its representatives are obligated to assign a particular consultant to the Business Support Recipient.
- 6.5.3. While drawing up a work plan, the consultant is required to visit the premises of the Business Support Recipient, unless agreed otherwise by the business owner.
- 6.5.4. At the end of consulting process, the Business Support Recipient is required to fill out a feedback questionnaire on the consulting services rendered.
- 6.5.5. The Business Support Recipient may ask the Business Support Manager to replace his consultant.
- 6.5.6. The Business Support Recipient may submit a complaint to a MAOF representative concerning the conduct or work of his consultant and may terminate the consulting services at any stage. In the event that the Business Support Recipient stops receiving consulting services, he must notify the Business Support Manager of this.
- 6.5.7. The participation fee in respect of this service appears in the Table of Rates in Appendix III.

7. **Assistance in obtaining financing from funds (closed to registration from December 31, 2023)**

7.1. **Objective:**

To help businesses / entrepreneurs obtain financing from credit funds , either for investment or working capital, and help them realize their most suitable financing options for executing their planned operations.

7.2. **Process:**

After completion of the business process mapping, the entrepreneur / business will be referred to a financial consultant who will assist as follows:

7.2.1. Business Plan Track for obtaining financing

- 7.2.1.1. Conduct a feasibility study as defined in Section 2.1 and which will be valid for 6 months. After receiving the results of the study, the entrepreneur / business must decide whether or not to continue the process.
- 7.2.1.2. Analyze the business data and examine the business's ability to meet the threshold conditions of the various funds.
- 7.2.1.3. Provide the entrepreneur / business with the necessary information for deciding on the most suitable fund.
- 7.2.1.4. Recommend a course of action for obtaining financing.

- 7.2.1.5. Analyze the business data and prepare the business plan in accordance with MAOF guidelines and the requirements of the funds. For the avoidance of doubt, the business plan, prepared in accordance with MAOF guidelines, shall also serve as an application to the various funds. The financial consultant may ask the client for an advance payment for preparing the business plan.
- 7.2.1.6. Submit the application forms to the selected fund(s) and track the response(s).
- 7.2.1.7. Prepare the business owner for a meeting with fund representatives and assist during the meeting, as necessary.
- 7.2.1.8. Assist the business in answering questions asked by the fund representatives and assist in filling out documents or submitting an appeal, etc., as necessary.

7.2.2. Consulting services to assist in obtaining financing from funds

7.2.2.1. Service objectives:

- 7.2.2.1.1. To enable entrepreneurs / businesses to use the funding they receive to execute planned operations.
- 7.2.2.1.2. To assist entrepreneurs / businesses in applying for a bank loan as an alternative to obtaining financing from funds.
- 7.2.2.1.3. To update the business plan prepared by the Business Support Manager during the past year and submit it to the fund.
- 7.2.2.1.4. To assist in handling bank accounts and cash flow after the feasibility study and before the business plan phase.

7.2.2.2. Scope of assistance:

- 7.2.2.2.1. A Business Support Recipient receiving assistance in obtaining financing, may receive up to 10 consulting hours from the financing consultant assisting him with the business plan, in the event that one of the abovementioned objectives is necessary. These consulting hours will be among the consulting hours for which the entrepreneur / business is eligible, as specified in Section 6.2, and will be allocated as part of the assistance provided for obtaining financing.

7.2.2.2.2. The participation fee in respect of this service appears in the Table of Rates in Appendix III.

8. Training

8.1. **Objective**

Training sessions for entrepreneurs and SME owners will be carried out in groups with the aim of imparting knowledge, skills and tools pertaining to the establishment and management of their business.

8.2. **General provisions**

8.2.1. Up to 30% of group training participants can be from the same company.

8.2.2. All training related activity and content is published on the [SMBA website](#).

8.2.3. At each training session, participants will be required to sign an attendance sheet and fill out a training feedback form.

8.2.4. Business Support Recipients shall receive a certificate upon the completion of a training program of over 16 academic hours, provided that they attended at least 80% of the sessions.

8.2.5. The participation fee in respect of this service appears in the Table of Rates in Appendix III.

8.2.6. Additional terms and conditions for training registrants are outlined in Appendix IV.

9. Conferences

9.1. **Objective**

Conferences will be held for the business community with the aim of bringing entrepreneurs and businesses together and encouraging collaboration. The conferences will include professional content and will provide information relating to the SMBA's Business Support Services.

9.2. Information regarding the conferences and their content is published on the SMBA website.

10. Entrepreneurship programs

10.1. **Objectives**

10.1.1. Primary objective: To establish new businesses and create sources of employment for the self-employed.

10.1.2. Secondary objectives:

10.1.2.1. To nurture and promote self-employment capability.

10.1.2.2. Survivability: To establish businesses that will continue to operate over time with a high survival rate.

10.1.2.3. Development: To establish growing businesses whose revenue cycle and number of employees increase over time.

10.2. **Pre-Entrepreneurship Workshop (My Journey to Entrepreneurship)**

10.2.1. Objective: To empower entrepreneurs and assist them in formulating their business concept. In addition, the workshop will provide tools for helping entrepreneurs make an informed decision as to whether it is appropriate for them to start a business at this stage.

10.2.2. Eligibility criteria: An entrepreneur who has not previously participated in this workshop.

10.2.3. Scope of assistance: A 15-academic-hour workshop at a discounted fee.

Digital version of the Pre-Entrepreneurship Workshop (My Journey to Entrepreneurship): A digital workshop recorded on the SMBA's online learning system consisting of 2 academic hours of self-study, at no charge. It should be clarified that eligibility for the digital workshop does not cancel out eligibility to participate in the offline Pre-Entrepreneurship Workshop (My Journey to Entrepreneurship).

10.3. **"Starting a Business" course**

10.3.1. Objectives

10.3.1.1. To prepare a work plan and define the steps for establishing a business based on the Business Model Canvas (BMC) and the Gantt chart model.

10.3.1.2. To increase familiar with the business environment in which SMEs operate in Israel.

10.3.1.3. To provide professional management tools for setting up a business.

10.3.1.4. To change the employee mindset to a self-employed mindset and its significance on a professional, an economic and a personal level.

10.3.1.5. To develop a sense of personal competence to implement a business plan.

10.3.2. Eligibility criteria: Those who have not previously participated in this course.

10.3.3. Scope of assistance: A designated course consisting of 70 academic hours.

10.3.4. **Digital version of the “Starting a Business” course**: An 11-hour, self-study digital course recorded on the SMBA’s online learning system, at no cost. It should be clarified that eligibility for the digital course does not cancel out eligibility to participate in the offline “Starting a Business” course.

10.4. **“Launching a Startup” course**

10.4.1. Objective: To assist in establishing new startups.

10.4.2. Eligibility criteria:

10.4.2.1. Entrepreneurs who have not previously participated in this course.

10.4.3. Scope of assistance: A designated course of 60 academic hours.

10.4.4. **Digital version of the “Launching a Startup” course**: A 2-hour, self-study digital course recorded on the SMBA’s online learning system, at no cost. It should be clarified that eligibility for the digital course does not cancel out eligibility to participate in the offline “Launching a Startup” course.

10.5. **General provisions**

10.5.1. The participation fee in respect of this course appears in the Table of Rates in Appendix III.

11. **MAOF Business Communities**

11.1. **Objective**: To set up digital communities throughout the country that will help businesses and entrepreneurs promote the establishment of new businesses and assist in the management of existing businesses by addressing their needs; connecting them to other entrepreneurs and businesses, thereby giving them a sense of belonging to a like-minded community that alleviates professional isolation; creating value through knowledge; exposing them to the range of MAOF tools; and promoting online and offline meetups and events to achieve these connections and goals.

11.2. **Process:**

11.2.1. MAOF will appoint a community manager / professional moderator to each business community.

11.2.2. Each business community will specify its rules in accordance with established membership rules. New members must consent to these rules upon joining the community.

12. **Ecommerce Track**

12.1. **Objective:**

To expand online marketing and commerce as a means of increasing business sales and growth by acquiring knowledge, improving capabilities and building the necessary infrastructure for this purpose.

12.2. **Eligibility criteria:**

12.2.1. A business that wishes to establish a new online store for ecommerce (on a new domain) or to upgrade an existing online store for ecommerce. The online store must include the following:

12.2.1.1. It must be mobile responsive.

12.2.1.2. A link to a clearing system. For a store in an ecommerce arena intended for B2B wholesale (for example on the Alibaba platform), a button for electronic clearance is not required.

12.2.1.3. The set up of a product shipping strategy / a field to load the recipient's address for the purpose of shipping the product.

12.2.2. A business that has not previously received financial assistance in the framework of the framework of the ecommerce track. A business that in the past only received consulting and/or training services in the framework of the ecommerce track is eligible to participate in the program.

12.2.3. The business has tangible consumer products suitable for ecommerce.

12.2.4. The address of the business or one of the business owners is in one of the communities listed in Government Resolution 550 – “The economic plan to reduce gaps in the Arab community”, that appears in Appendix VI (hereinafter: **Communities Listed in Government Resolution 550**).

The Business Support Applicant will be asked to declare that the address of one of the business owners, as it appears in his ID card, and / or the address of the business, as it appears in the business license, is in one of the communities listed in Resolution 550. If the address of the business is in one of the communities listed in Resolution 500, but this address does not appear in the business license (if, for example, the business has several branches and only the main branch appears in the business license), a letter from a CPA / tax consultant / attorney explaining the discrepancy and confirming the applicant's declaration, should be attached to the application. The wording of the confirmation appears in Appendix VII.

12.2.5. In the case of a business incorporated as a company, the address of the company must be in one of the communities listed in Government Resolution 550, which appear in Appendix VI, or at least 50% of the shareholders in the company must live in the communities listed in Government Resolution 550.

12.2.6. Businesses that apply for the Ecommerce Track (and meet the eligibility criteria) will be accepted on a first-come, first-served basis, from the date of publication of the program on the SMBA website until 31 December 2023 at 12:00, or until the program reaches its budget ceiling, whichever is first.

12.3. Scope of assistance:

12.3.1. A 10-hour e-workshop on ecommerce (mandatory), as outlined in Section 12.4.2.7 below.

12.3.2. Business process mapping and filling out a questionnaire (mandatory), as specified in Section 12.4.2.11 below.

12.3.3. Consulting (mandatory) for the purpose of assisting in the establishment and promotion of an online store, and in accordance with the consulting process detailed in Section 12.4.2.12 below, and this is in addition to the consulting services detailed in Section 6.3 above.

12.3.4. MAOF participation in the expense of establishing an online sales system on a new or existing platform that will enable the business to engage in commerce,

marketing and sales promotion on the Internet, as specified in Section 12.4.2.13 below.

12.3.5. The Business Support Recipient together with the consultant will fill out a questionnaire for the purpose of tracking success metrics.

12.3.6. The participation fee in respect of the Ecommerce Track appear in the Table of Rates in Appendix III.

12.3.7. MAOF participation in the expenses is contingent upon participation in the services outlined in Sections 1623.1, 12.3.2 and 12.3.3 above.

12.4. Track phases:

12.4.1. The business (applicant) will submit its application for the Ecommerce Track on the SMBA website: sba.org.il (hereinafter: "**Eligibility Application Form**"). On the Eligibility Application Form the applicant will declare that he meets the eligibility criteria and will confirm the declaration in respect of receiving MAOF Services from the Small and Medium-Sized Business Agency (Appendix I).

12.4.2. After submitting the Eligibility Application Form, the applicant will receive confirmation of its receipt. Eligibility applications will be reviewed on a first-come-first-served basis until the end of the application period, as follows:

12.4.2.1. If the number of applications has not yet reached the budget ceiling and the application period has not yet ended, the applicant will receive notice of "eligibility" and can continue to the next stage of the program as detailed below.

12.4.2.2. If the number of applications reaches the budget ceiling, the applicant will be notified that he has been rejected due to a lack of budget. Should a budget become available, eligibility applications will be examined on a first-come, first-served basis.

12.4.2.3. Eligibility will be valid for a year and 3 months from the date of eligibility approval (hereinafter: "**Eligibility Period**"), subject to the details below.

- 12.4.2.4. An applicant who receives eligibility approval, but decides not to participate in the program, is requested to notify MAOF as soon as possible.
- 12.4.2.5. After receiving eligibility approval, a MAOF representative will contact the applicant in order to register him to the workshop and to explain the stages of the program. It should be clarified that this conversation is intended to help the applicant, understand his needs and offer him additional options for assistance. If a MAOF representative is unable to contact the applicant, an email will be sent to him with contact details. If no contact is made within 30 business days from the date of eligibility approval, the eligibility will expire.
- 12.4.2.6. During the above conversation, the applicant will be asked to send one of the following documents that proves place of residence:
 - 12.4.2.6.1. A copy of his / her ID card, providing the applicant lives in a locality listed in Government Resolution 550.
 - 12.4.2.6.2. A copy of his / her business license, providing the business address is in a locality listed in Government Resolution 550.
 - 12.4.2.6.3. A company extract from the Registrar of Companies (if the applicant represents a company).
 - 12.4.2.6.4. If the business address is in one of the communities listed in Resolution 550, but this address does not appear on the business license (if, for example, the business has several branches and only the main branch appears on the license), a letter from a CPA / tax consultant / attorney explaining the discrepancy and confirming the applicant's declaration of address, should be attached to the application. Its wording should be in accordance with Appendix VII – Declaration of Business Address.
- 12.4.2.7. Participation in an e-workshop to get acquainted with the world of ecommerce and digital marketing, and learn the principles for

choosing a suitable platform and suppliers. Full participation in the e-workshop using a webcam is mandatory. Failure to attend the full 10-hour e-workshop will result in the cancellation of eligibility.

12.4.2.8. At the end of the abovementioned e-workshop, the facilitator will fill out a feasibility study and initial cost assessment form for each of the participants. The form will include, inter alia, a recommendation regarding the participant's suitability for the program.

12.4.2.9. A positive recommendation from the e-workshop facilitator is a prerequisite for continued participation in the program.

12.4.2.10. The facilitator's recommendation will be based on meeting four cumulative conditions:

12.4.2.10.1. Meet the eligibility criteria as stated in Section 12.2 above.

12.4.2.10.2. Full workshop attendance.

12.4.2.10.3. The participant's declaration that he is ready to invest the resources (budget and time) required for the establishment and marketing of an online store.

12.4.2.10.4. A workshop participant who receives a negative recommendation from the facilitator will not be able to continue the program.

12.4.2.10.5. A workshop participant who receives a negative recommendation may request to have his suitability re-examined (once) by the e-workshop facilitator after he has completed course material.

12.4.2.10.6. The abovementioned request for re-examination must be submitted to the SMBA within 5 working days from the date the workshop participant is notified of his unsuitability for the program. The request should be sent to the MAOF branch responsible for training.

- 12.4.2.11. In the process mapping session, the Business Support Manager will map out the problems and needs of the Business Support Recipient, fill out the program questionnaire with him, and refer him to a consultant, as detailed in Section 12.4.2.12 below.
- 12.4.2.11.1. Business Support Recipients who have already attended a process mapping session in the past two years, are not required to attend an additional session.
- 12.4.2.12. 17 hours of consultation and assistance in choosing a suitable platform and suppliers for the purpose of setting up and promoting the online store. The consultant will prepare a work plan for setting up the online store and a marketing plan for advertising and promoting the store's online sales.
- 12.4.2.13. Participation in expenses — After the online store goes live and a marketing plan is built, the Business Support Manager will send the Business Support Recipient a link for the purpose of submitting a payment request (application form for participation in ecommerce expenses for setting up an online store and/or advertising and promoting the store online) on the SMBA website (SBA.ORG.IL), including all documents and references, as specified in Section 12.5 below, and this within the eligibility period.
- 12.4.2.13.1. Scope of participation in expenses – Participation at a rate of 50% of the actual expenses up to a ceiling of NIS 10,000 including VAT – of which up to NIS 5,000 including VAT is for establishing a new online store for ecommerce (on a new domain) or upgrading an online store that cannot be used for ecommerce, and the balance is for advertising and online sales promotion.
- 12.4.2.13.2. The form and documents submitted on the website will be sent for review and approval of payment.

12.4.2.13.3. In the event that the payment request is not approved or is partially approved, the Business Support Recipient will be notified with an explanation as to why the payment was not approved and a request to submit missing or incomplete documentation.

12.4.2.13.4. Approved expenses for setting up/upgrading a store will include the following, in whole or in part:

12.4.2.13.4.1. The set up, on a new or existing platform, of a store and sales system that includes a mobile responsive design.

12.4.2.13.4.2. A link to a clearing system (a business that has set up a store in an ecommerce arena designed for B2B wholesale (for example on the Alibaba platform), so there is no obligation for the store to include a button for electronic clearing.

12.4.2.13.4.3. The set up of a system for shipping products / a field to load the recipient's address for the purpose of shipping the product.

12.4.2.13.4.4. Graphic design services.

12.4.2.13.4.5. The creation of a sales page.

12.4.2.13.4.6. Editing services and entering products and content.

12.4.2.13.4.7. Product photography services (stills or video).

12.4.2.13.4.8. Customer management and control system.

12.4.2.13.5. Approved expenses for online advertising and sales promotion that will include the following, in full or in part:

12.4.2.13.5.1. Managing the online marketing campaign, analyzing customer traffic in the store, and

adjusting the marketing plan for the purpose of increasing sales.

12.4.2.13.5.2. Adjusting the marketing plan for the purpose of increasing sales.

12.4.2.13.5.3. Making connections with various online advertising platforms.

12.4.2.13.5.4. Website promotion on search engines.

12.4.2.13.5.5. Production of advertisements, banners, videos, etc.

12.4.2.13.5.6. Receipt of the grant is contingent upon the fulfillment of the following: Establishing a mobile responsive sales system on a new or existing platform; a link to a clearing system; establishing a system for shipping the products / a field to load the recipient's address for the purpose of shipping the product.

12.4.2.13.5.7. All the above components will be approved for payment according to an agreed work plan with the client that will be submitted to the Business Support Manager for approval.

12.4.2.13.5.8. Six months after the activation of the online store, the consultant and the Business Support Recipient will fill out a success indicator assessment survey.

12.5. The following documents and details will be attached to the payment request form:

12.5.1. Tax invoices / receipts with the name of the business (an exempt or licensed business may attach documents in the name of the business owner) in respect of business expenses, and the person submitting the request should type the invoice details on the form.

- 12.5.2. In the event that services, which meet the terms of the program, were purchased from one of the suppliers eBay, Etsy or AliExpress, documents other than an invoices and receipts may be submitted, such as an email or a screenshot, as long as they include all the following details:
- 12.5.2.1. Name of purchasing business.
 - 12.5.2.2. Details of the service purchased.
 - 12.5.2.3. Date of purchase.
 - 12.5.2.4. Payment confirmation.
- 12.5.3. For the avoidance of doubt, regarding documents as mentioned in Section 12.5.2 above, all the provisions applicable to invoices / receipts in this document shall apply.
- 12.5.4. It should be clarified that it is not possible to submit invoices / receipts whose date of reference is before the date the request is submitted.
- 12.5.5. Up to 10 invoices / receipts will be approved, provided that the amount of each invoice / receipt is not less than NIS 100, including VAT.
- 12.5.6. If the total submitted invoices is lower than the ceiling for payment according to Section 12.4.2.13.1, this will be considered a waiver of the balance of the amount up to the ceiling of participation in expenses.
- 12.5.7. The business representative shall state that the online address on the form is the address of a website established or upgraded as part of the business support program, and that the invoices attached to the form are for expenses for services received for the purpose of establishing or upgrading and/or advertising and promoting this website, all in accordance with the Terms and Conditions of the MAOF Services.
- 12.5.8. An identifying document according to the nature of the business: an exempt or licensed dealer shall present an exempt or licensed dealer certificate, respectively, a limited company shall present a Certificate of Incorporation.
- 12.5.9. A bookkeeping certificate that is valid for at least 60 days.
- 12.5.10. Withholding tax certificate that is valid for at least 60 days.

- 12.5.11. Bank account confirmation or alternatively a canceled check in the name of the business (an exempt / licensed dealer may attach a bank account confirmation letter in the name of the business owner).
- 12.5.12. The documents will be submitted for inspection for the purpose of approving payment. If the request is in order, payment will be transferred to the recipient. Payment terms: EOM +30, from the date of approval of the payment request.
- 12.5.13. After receiving payment, a receipt must be delivered to the payer in accordance with the contact details specified in the payment confirmation.
- 12.5.14. The payment is taxable income and must be reported in accordance with the law.
- 12.5.15. A business may receive participation in expenses once only under this program. Therefore, all expenses must be gathered and submitted in one payment request.
- 12.5.16. In the event that the payment request is not approved or is partially approved, a message will be sent to the recipient explaining why the request was not approved, and requesting the completion of missing or incomplete documentation. Completion of the request must be carried within 10 business days from the date of receiving the first notification regarding the need to complete documentation.
- 12.5.17. Each business will be given one opportunity to complete or correct their payment request.
- 12.5.18. If the payment is higher than the amount due, as a result of human error, or alternatively, if it turns out that the payment was transferred based on the submission of false documentation on the part of the recipient, the SMBA reserves the right to ask the recipient to return all or part of the payment.

13. Sales Growth track for the Haredi (ultra-Orthodox) population

13.1. Objectives:

- 13.1.1. A growth of sales in the businesses of the ultra-Orthodox.

13.1.2. Enhance knowledge and skills in the use of digital systems for the benefit of improving business activity.

13.2. Eligibility criteria (cumulative)

13.2.1. Ultra-Orthodox business owners, as defined in Appendix II to these Terms and Conditions.

13.2.2. An ultra-Orthodox business owner who is an exempt or licensed dealer, and in the case of a limited company, owns at least 50% of the company's shares.

13.2.3. This is a one-time entitlement.

13.2.4. Assistance will be given until the budget for this track runs out.

13.3. Threshold conditions:

13.3.1. Mandatory participation in a course of at least 20 hours during 2024 on a topic relevant to the goals of the program.

13.4. Scope of assistance

13.4.1. Up to 10 additional consulting hours in accordance with the rates outlined in Appendix III to these Terms and Conditions, which the business will receive after or during its participation in the track, and which will assist the business with achieving the goals of the track. This in addition to the eligibility outlined in these terms and Conditions – a mandatory component.

13.4.2. At the end of the track, participants will be required to fill out a feedback form.

14. “Business Revival in the Gaza Envelope” program / “Shahar LaTzafon” program for Entrepreneurs & Businesses

14.1. Objectives of “Business Revival in the Gaza Envelope” program:

14.1.1. To revive and maintain the operations of small and medium-sized businesses in the Takuma region relative to their state of affairs on the eve of the events of 7 October 2023.

14.1.2. To strengthen and expand business operations of the Tkuma region and / or business owners who live in the Tkuma region.

14.1.3. **Objective of “Shahar LaTzafon” program for entrepreneurs and businesses:** To inspire, promote and foster the growth of small and medium-sized businesses while creating a nurturing environment for their development.

14.2. Eligibility criteria:

14.2.1. Applicants to the program must meet at least one of the following conditions:

14.2.1.1. Applicants living in one of the communities in the Tkuma region or in one of the communities located in the missile-attacked area in the north (listed in Appendix VIII) on 6 October 2023, or thereafter, and who have presented an ID card attesting to their residential address as stated.

14.2.1.2. Applicants whose business is located in one of the communities in the Tkuma region, or in one of the communities located in the missile-attacked area in the north (listed in Appendix VIII), on 6 October 2023, or thereafter, and have presented a valid bookkeeping certification or any official document that attests to the business address as stated.

Applicants not living in one of the communities in the Tkuma region or in one of the communities located in the missile-attacked area in the north (listed in Appendix VIII) on 6 October 2023, or thereafter, are required to declare that the requested assistance is for his/her business located in one of the abovementioned communities, and that they intend to use this assistance to restore and/or restart their business operations. This declaration (see Appendix IX) should be sent by e-mail to a MAOF employee. In the event that an applicant's business is located in one of the abovementioned communities, but its address does not appear in the company certification (for example, if the business has several branches and only the address of the main branch appears in the certification), the applicant may ask his CPA / tax consultant / attorney for an additional declaration that explains this discrepancy and confirms the authenticity of the applicant's declaration. The wording of this declaration should be as detailed as the declaration in Appendix VII to these terms and Conditions.

14.3. Scope of assistance:

14.3.1. Business process mapping at no cost to applicants who meet the eligibility criteria and do not have a valid process map. This free process mapping is a one-time offer.

14.3.2. Additional consultation hours at a reduced cost as detailed in Appendix III to these

Terms and Conditions. The number of consultation hours will be according to the type of business as follows:

- 14.3.2.1. Microentrepreneurs and microbusinesses – up to 20 hours consultation.
- 14.3.2.2. Small businesses – up to 40 hours consultation.
- 14.3.2.3. Medium-sized businesses – up to 60 hours consultation.
- 14.3.3. Additional consultation hours at the regular consultation rate in accordance with Appendix III to these Terms and Conditions. The number of consultation hours will be according to the type of business as follows:
 - 14.3.3.1. Microentrepreneurs and microbusinesses – up to 20 hours consultation.
 - 14.3.3.2. Small businesses – up to 40 hours consultation.
 - 14.3.3.3. Middle-sized businesses – up to 60 hours consultation.
- 14.3.4. Assistance in obtaining credit – up to 10 additional consultation hours for the purpose of obtaining credit at a reduced cost as outlined in Appendix III to these Terms and Conditions.
- 14.3.5. Participation in up to 70 free hours of academic training as part of the courses at the following links:
 - 14.3.5.1. Link to courses in the framework of the “Business Revival in the Gaza Envelope” program.
 - 14.3.5.2. Link to courses in the framework of the “Shahar LaTzafon” program for entrepreneurs and businesses.

15. **Reconsideration**

A Business Support Recipient, who objects to a decision made by MAOF, may submit a reasoned objection to the SMBA (via MAOF) within 30 working days from the date of the decision.

16. **Suspension and termination of activity**

16.1. The SMBA may carry out inspections and demand any relevant document from the Business Support Recipient for the purpose of checking their compliance with the provisions of these Terms and Conditions.

16.2. **Non-compliance with the Terms and Conditions**

16.2.1. In the event the SMBA and / or MAOF finds that a Business Support Recipient fails to comply with the provisions of these Terms and Conditions, and / or the provisions of the Director General's directive on Corporate Social Responsibility, and / or is hindering the provision of services, and / or if the services are being used for a purpose other than that for which they were intended, and / or it is indicated that there is good reason to suspend / terminate services due to a lack of cooperation on the part of the Business Support Recipient, the SMBA shall notify the Business Support Recipient of its intention to consider canceling or freezing the provision of services, whether in the future or retroactively, and request that the Business Support Recipient repair the damage within 60 working days of receiving notification.

16.2.2. Should the Business Support Recipient be notified as stated in Section 16.2.1 above, and fails to repair the damage within the said period, the SMBA may promptly and without further notice, act as follows:

16.2.2.1. Continue to provide MAOF Services to the Business Support Recipient on terms that shall be determined.

16.2.2.2. Freeze the provision of services, or fully / partially cancel them.

16.2.2.3. Request payback for the services rendered with the addition of interest and linkage differentials (as specified in the Adjudication of Interest and Linkage Law, 5721-1961), from the date of its payment until the date of its actual return.

16.3. **Termination of the provision of MAOF Services in respect of false information**

16.3.1. In the event that the SMBA finds that a Business Support Recipient received eligibility approval for MAOF Services on the basis of false or misleading information, the approval shall be canceled retroactively from the date it was granted. The SMBA may also request payback for the support and assistance rendered, plus interest and linkage differentials, as specified in the Adjudication of Interest and Linkage Law, 5721-1961, from the date of its payment until the date of its actual return.

16.3.2. The final decision in respect of implementing Section 16.3.1 above shall be made by the SMBA.

16.4. **Terms of payback**

16.4.1. Those required to make a payback shall do so within 90 working days from the date of notice or at a later date prescribed in the notice, plus interest and linkage differentials as specified in the Adjudication of Interest and Linkage Law, 5721-1961. However, the SMBA, with the approval of the Accounting Department and the Legal Bureau, for special reasons that shall be recorded, may waive all or part of the interest.

16.4.2. A business that received MAOF Services and was given a liquidation order or a receiving order or voluntarily decided to dissolve the business prior to receiving all the MAOF services, and prior to fulfilling all the provisions of the Terms and Conditions, shall be deemed obligated to pay back the service it received prior to the liquidation order or the receiving order, or the voluntary decision to dissolve the business, unless the SMBA determines, with the approval of the Accounting Department and the Legal Bureau, that the assistance shall not be paid back or shall be partially paid back.

16.4.3. The provisions of this Section do not derogate from any other law.

17. **General Provisions**

17.1. The scope of the MAOF Services is determined according to the budgetary framework available to the SMBA.

17.2. The provisions of the Terms and Conditions do not constitute an obligation of the Ministry of Economy and Industry to make any payment.

17.3. Insofar as a particular track specified in the Terms and Conditions is not budgeted, notice of such shall be published on the SMBA website.

17.4. The provision of services shall be discontinued if a Business Support Recipient displays unbecoming conduct (such as: disturbing the work process at the business, or failure to attend meetings without a justified reason, etc.), all at the discretion of the SMBA.

- 17.5. Notwithstanding the provisions of Sections 4-14 above, the SMBA director may, with the approval of the Ministry's Accounting General and Legal Bureau, prescribe procedures that differ from those prescribed in the aforesaid Sections.
- 17.6. If there is a change in the business climate resulting from new business opportunities, natural disasters or crises that significantly impact a large number of businesses, or a material change in the business's target audience, the SMBA director may, with the approval of the Ministry's Accountant General, establish procedures for raising the SMBA's participation rates.
- 17.7. A Business Support Recipient may apply for support services from any MAOF branch, regardless of his home or business address.
- 17.8. If a Business Support Recipient carried out his process mapping at a certain MAOF branch, he must refer to that same branch to apply for or complete MAOF Services. The transfer to a different branch must be approved by the branch manager.
- 17.9. The SMBA has the authority to set priorities for budget allocation to the MAOF Services, *inter alia*, among various departments, areas of activity, etc. These priorities set by the SMBA, shall be published on the website of the Ministry of Economy and Industry. The MAOF Services shall not fund operations that receive help from funds or other governmental aid programs.
- 17.10. The SMBA director may publish the names and ID numbers of Business Support Applicants whose applications have been approved, and may also publish the amount of support approved for each business. The notice of the SMBA director shall be published on the website of the Ministry of Economy and Industry.
- 17.11. The SMBA and its representatives may make use of the details of Business Support Recipients for the purpose of conducting research and surveys to examine the effectiveness of the services, or for any other purpose the SMBA sees fit, and at its sole discretion.
- 17.12. A Business Support Recipient who has utilized his consulting hours, may continue to receive consulting services from the same MAOF consultant up to four months from the end of his eligibility, under the following conditions:
- 17.12.1. The hourly consulting rate will be the full rate paid to the MAOF consultant.

17.12.2. The SMBA shall not subsidize consulting hours.

17.12.3. The continuation of consulting hours shall be subject to all the MAOF procedures.

17.13. A Business Support Recipient who requires accessibility to one or more of the MAOF services, should submit a request for accessibility approximately 12 days prior to commencement of the service, to allow MAOF time to accommodate the request.

18. **Publication**

18.1. The Terms and Conditions and all the required forms for receiving MAOF Services will be published on the website of the Ministry of Economy and Industry.

18.2. Address of the SMBA: 5 Bank of Israel St., Kiryat Hamemshala, Ministry of Economy and Industry, Jerusalem.

19. **Appendices**

Appendix I – Declaration for the Purpose of Receiving Business Support Services from the Small and Medium-Sized Business Agency (SMBA)

Appendix II – Populations, Definitions and References

Appendix III – Table of Rates

Appendix IV – Terms and Conditions for Training Registrants

Appendix V – Independent Contractor Declaration

Appendix VI – Communities Listed in Government Resolution 550 – “The Economic Plan to Reduce Gaps in Arab Society”

Appendix VII – Declaration of Business Address

Appendix VIII – List of Communities eligible for the “Business Revival in the Gaza Envelope” program and the “Shahar LaTzafon” program for entrepreneurs and businesses.

Appendix IX – Declaration for the purpose of receiving assistance in the framework of the “Business Revival in the Gaza Envelope” program, or the “Shahar Hatzafon” program for entrepreneurs and businesses.

