



ANGEL INVESTMENT PROCESS IN STARTUPS IN PALESTINE

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Summary document of the Angel Investment Process in Startups in Palestine, and Needed Legal Documentation

Form of startups

Investing in a startup in Palestine depends whether the startup is duly registered at the companies' comptroller or not registered. In case the startup is not registered, investors are advised to decide on the type of the company to be registered,¹ and then go through the registration process at the companies' comptroller and any other competent authorities. If the startup, however, is registered, then investors may need to conduct financial and legal due diligence to check its status and decide on the most suitable deal structure. In this last scenario, investors will most probably need to make the founders amend the company's registration certificate, articles of associations, and memorandum of incorporation.

In both scenarios, investors are advised to sign a term sheet or an MOU to set the pillars of their investment. Then, they are advised to enter into a shareholder agreement to detail their agreement and any investment conditions they need to impose on startups/founders/entrepreneurs.

Registration Requirements

The table below illustrates the registration requirements, process and fees at the companies' comptroller based on the type of the company:

NO.	COMPANY'S TYPE	MAIN CONDITIONS	APPLICATION'S ATTACHMENTS	FEEES
1.	Private Shareholding Company	a) Completed Name Verification Form approved by the Ministry of National Economy (MoNE). b) Registration application (3 copies) as the template provided by MoNE, to be signed by the founders	a) Power of attorney. b) Copy of the founders' IDs (for natural persons), and/or copy of registration certificates of the entity (for legal persons) – along with related BoD resolution/s. c) Articles of associations (3 copies) prepared and signed	<ul style="list-style-type: none">87 ils – name verification fees.285 ils – registration fees for the private shareholding companies.84 ils – for each signature.1/1000 of the capital.

¹ In this regard, please refer to the Summary Document of the Proposed/Recommended Structure for the Diaspora Angel Investments in Startups in Palestine.

		before the companies' comptroller.	by an attorney and the founders. d) Memorandum of incorporation (3 copies) prepared and signed by an attorney and the founders.	
2.	Public Shareholding Company	a) Completed Name Verification Form approved by the Ministry of National Economy (MoNE). b) Registration application (3 copies) as the template provided by MoNE, to be signed by the founders before the companies' comptroller.	a) Power of attorney. b) Copy of the founders' IDs (for natural persons), and/or copy of registration certificates of the entity (for legal persons) – along with related BoD resolution/s. c) Articles of associations (3 copies) prepared and signed by an attorney and the founders. d) Memorandum of incorporation (3 copies) prepared and signed by an attorney and the founders.	<ul style="list-style-type: none"> ▪ 87 ils – name verification fees. ▪ 285 ils – registration fees for the private shareholding companies. ▪ 84 ils – for each signature. ▪ 1/1000 of the capital.
2.	Public Ordinary Company	a) Completed Name Verification Form approved by the Ministry of National Economy (MoNE). b) Registration application (3 copies) as the template provided by MoNE, to be signed by the founders before the companies' comptroller.	a) Power of attorney. b) Copy of the founders' IDs (for natural persons), and/or copy of registration certificates of the entity (for legal persons) along with related BoD resolution/s. c) Articles of associations (3 copies) prepared and signed by an attorney and the founders. d) Memorandum of incorporation (3 copies) prepared and signed by an attorney and the founders.	<ul style="list-style-type: none"> ▪ 493 ils – registration fees ▪ 87 ils – name verification fees. ▪ 84 ils – for each signature.
3.	Limited Ordinary Company	a) application to check the suggested name of the company, to be approved by the Ministry of National Economy (MoNE).	a) Power of attorney b) Copy of IDs of the founders (for natural persons), and/or copy of registration certificates of the entity (for	<ul style="list-style-type: none"> ▪ 493 ils – registration fees ▪ 87 ils – name verification fees.

		<p>b) registration application (3 copies) as the template provided by MoNE, to be signed by the founders before the companies' comptroller.</p>	<p>legal persons) – along with a BoD resolution from the legal person</p> <p>c) Articles of associations (3 copies) prepared and signed by a certified attorney.</p> <p>d) An approved check name application.</p>	<ul style="list-style-type: none"> ▪ 84 ils – for each signature.
5.	Foreign Company (public ordinary company or limited ordinary company)	<p>a) Work permission from the companies' comptroller after MoNE minister's approval.</p> <p>b) Registration application (3 copies) as the template provided by MoNE, to be signed by the authorized attorney or authorized signatory per a proxy ratified by the Palestinian consulate.</p>	<p>a) Original copy of the articles of association and memorandum of incorporation duly ratified by the Palestinian consulate or Palestinian representative in the country of origin. If the articles of association and/or the memorandum of incorporation are not in Arabic, translation must be provided to be duly ratified by both the Ministry of Foreign Affairs and the Ministry of Justice.</p> <p>b) Board of Directors resolution to appoint a domestic representative for the company in Palestine, and the approval to register a company in Palestine.</p> <p>c) Most recent budget of the foreign company or a proof that capital has been paid in full.</p>	

