



HR Electronic Records

Electronic Signatures in Israel: What it means for HR

What is an electronic signature?

Generally speaking, an electronic signature (or e-signature) is a technical process logically associated with a document which two (or more) individuals or organizations (the signatories) agree to rely on in order to express their intent to sign such document. Three components are therefore necessary: a document, a signatory and an e-signature tool. While the tool most commonly used for handwritten signatures is a simple pen, electronic signature tools are typically more complex.

From a regulatory standpoint, an electronic signature is a broad category that encompasses many types (or levels) of electronic signatures. Depending on the country it is used in, there are differences in purpose, legal acceptance, technical implementation and cultural acceptance of electronic signatures.



In particular, e-signature requirements tend to vary significantly between most “civil law” countries (including the European Union and many countries in South America and Asia), and most “common law” countries (such as the United States, Canada and Australia). Civil law countries typically support a “tiered” approach

including higher levels of signature often called digital or qualified electronic signatures (typically required for specific types of contracts), as opposed to common law jurisdictions which are typically more technology-neutral.

In addition, some industries (such as healthcare or banking) and documents (such as marriage or adoption contracts) may require a higher level of e-signature.

What are the laws and regulations in Israel?

Electronic signatures are permitted in Israel under the Electronic Signature Law, 2001 (ESL). Under the ESL, there are three types of signatures: simple electronic signatures, secure electronic signatures and certified electronic signatures.

Simple electronic signatures are defined as electronic information or electronic signs that have been attached or connected to an electronic message.

Secure electronic signatures must meet certain requirements. Secure electronic signatures:

- are unique to the owner of the Signing Device;
- allows apparent identification of the owner of the Signing Device;
- have been created using a Signing Device that is under the sole control of the owner of the Signing Device; and,
- allows detection of any change to the electronic message after signing.

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Under the Electronic Signature Regulations (Secured Electronic Signature, Hardware and Software Systems and Processing of Applications), 2001, an electronic signature is presumed to be a secure electronic signature, if:

- the electronic signature is produced using a key based on an accepted standard (using an RSA or DSA key at least 1024 bits long; or, an elliptic curve DSA key at least 160 bits long);
- certain standards are met to operate or access the Signing Device (unique physical or crypto-logical measures that conform to Security Level 1 of the FIPS 140-2 standard, with a security level of at least Common Criteria EAL2 standard);
- when passwords are required to operate the Signing Device, the password complies with the high level security requirements in accordance with Israeli Standard 1495 Part 3, or alternative requirements as determined by the Registrar (if determined that the requirement may be waived).

Certified electronic signatures must comply with the requirements for a Secure Digital Signature and be signed with a Signing Device verified by a government registered Certification Authority.

Under the Israeli Contracts Law (General Part), 1973, contracts are generally valid if legally competent parties reach an agreement by way of offer and acceptance sufficient to show the

parties' intention to be bound, where acceptance may also be indicated by conduct. This means that contracts do not necessarily need to be signed in order to be binding, and that contracts may be upheld in court if the court is convinced that it was the intention of the parties to enter into the contract.

Is an electronic signature valid in Israel?

Yes. Under the ESL, electronic signatures cannot be deemed inadmissible solely because the signature is electronic. Almost all types of documents can be signed electronically under Israeli law, including employment documents. There are few exceptions to this (such as certain inheritance related documents).

There is generally no required form of signature for HR related documents. The signature that is used should make it evident that an agreement was reached or that the employee consented to the terms of the agreement. Any disputes as to the validity of signatures (electronic or physical) will come down to a question of proof.



HR Best Practices:

Electronic signatures are generally considered valid in the employment context in Israel. When using electronic

signatures, ensure that appropriate safeguards are in place and that metadata (such as time stamps) is properly recorded.

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