



**BANK OF ISRAEL**  
Information and Statistics Department

To: The commercial banks in Israel and other financial intermediaries

January 19, 2011

**Report on activity in the market for foreign exchange derivatives, *makam*, and short-term government bonds**

Draft for comments

In the last few months the total volume of transactions in foreign exchange derivatives and *makam* has increased significantly. In order to improve its ability to analyze these transactions and trends in these instruments in the context of its monitoring of developments in the foreign currency market in Israel, the Bank of Israel will issue an Order imposing a reporting obligation on Israeli residents and nonresidents who perform transactions in foreign exchange swaps and forwards of more than \$10 million in one day. The required report will include details of the transactions and their balance of holdings of such assets. Additionally, nonresidents who perform transactions in *makam* and short-term government bonds of more than NIS 10 million in one day will be required to report details of the transactions and their balance of holdings of such assets. The draft Order is attached.

We will be pleased to receive your comments on the draft Order by January 26, 2011. The Order will go into effect soon after comments are received. **We suggest, therefore, that financial intermediaries advise their clients who operate in these markets with regard to the Bank's intentions.** The draft Order, in Hebrew and English, is also available on the Bank of Israel's website.

For further information or clarifications contact Eli Kadosh of the Information and Statistics Department, tel: 02-6552526, or via email: [eli.kadosh@boi.org.il](mailto:eli.kadosh@boi.org.il)

Yours truly,

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