

Banking Supervision Department
Jerusalem, July 30, 2023
Circular Number C-06-2754

Attn:

Banking corporations and credit card companies

Re: Proper Conduct of Banking Business Directive no. 313
“Limitations on the indebtedness of a borrower and of a group of borrowers”

Introduction

1. In circular C-06-2567, dated August 1, 2018, an exception was granted, regarding the indebtedness of a banking group of borrowers to a credit card company, from complying with the limitation in Section 4(b)(2) of Proper Conduct of Banking Business Directive no. 313, on “Limitations on the indebtedness of a borrower and of a group of borrowers”. It was also determined that this indebtedness shall not be included in the aggregate limitation of large borrowers (Section 4(e) of the Directive). All this is for a period of 5 years that is expected to end on August 1, 2023.
2. The Supervisor of Banks requests to extend this period through December 31, 2024.
3. This regulation is not accompanied by the publication of a report under the Principles of Regulation Law, 5782-2022, in view of the exemption set in Section 34(c)(2), as the reference is to the continuation of providing a relief with a set time in a specific section of the existing Directive.
4. After consulting with the Advisory Committee on Banking Business Affairs and with the approval of the Governor, I have amended Proper Conduct of Banking Business Directives 313—“Limitations on the indebtedness of a borrower and of a group of borrowers” as detailed below.

Main provisions of the amendment

Section 12:

5. In Section 12(a), the words “during the course of 5 years from the date of publication of this Directive” shall be replaced by “until December 31, 2024 (30 Kislev 5785)”.

Explanatory notes

Until December 31, 2024, the indebtedness of a banking group of borrowers to a credit card company shall not be subject to the limitation of a “banking group of borrowers” and shall not be included in the aggregate limitation of large borrowers.

Commencement

6. This Circular shall go into effect on the date it is published.

File update

7. Update pages for the Proper Conduct of Banking Business Directives file are attached. The following are the update instructions:

Remove page
(04/22) [21] 313-1-16

Insert page
(7/23) [22] 313-1-16

Respectfully,

Yair Avidan
Supervisor of Banks