

Banking Supervision Department

Jerusalem, February 23, 2023

Circular No. C-06-2742

Attn: The banking corporations and merchant acquirers

Re: Board of Directors

(Proper Conduct of Banking Business Directive No. 301)

Introduction

1. Pursuant to the entry into effect of the Criminal Information and Rehabilitation of Offenders Law, 5779-2019, (hereinafter, the new law) on July 12, 2022, which replaces the Criminal Register and Rehabilitation of Offenders Law, 5741-1981, and after consultation with the Advisory Committee on Banking Business Affairs and with the approval of the Governor, I have amended this Directive as follows.
2. The regulation was not accompanied by the publication of a report, in accordance with the Principles of Regulation Law, 5782-2021, in view of the significant activities that were carried out before the entry into effect of the Law, in accordance with the Governor's decision).

Main updates

3. In the opening clause of Section 5 in the questionnaire for a candidate for an officeholder position at a banking corporation in Appendix a, shall be "at a scope to which the Banking Supervision Department is eligible to receive based on the Criminal Information and Rehabilitation of Offenders Law, 5779-2019, and the rehabilitation regulations enacted as a result"; at the end of the section shall be added: "In accordance with Section 4 of the Criminal Information and Rehabilitation of Offenders Law, every person may view any criminal information on themselves. You may attach information about rehabilitation or personal or other circumstances so that they will be taken into account when considering your candidacy."
4. In Section 5.1 in the questionnaire for a candidate for an officeholder position at a banking corporation in Appendix A, after the words "in a court in Israel", the following shall be added: "Unless the period of record deletion under the Criminal Information and Rehabilitation of Offenders Law has elapsed."

5. In the end of Section 5.2 in the questionnaire for a candidate for an officeholder position at a banking corporation in Appendix A, the following shall be added: "That is pending."
6. In place of Section 5.3 in the questionnaire for a candidate for an officeholder position at a banking corporation in Appendix A, shall be "Are there any pending criminal investigations against you concerning felony or misdemeanor offenses?"
7. In Section 5.6 in the questionnaire for a candidate for an officeholder position at a banking corporation in Appendix A, after the word "indictment", the following shall be added: "That is pending."
8. Section 5.8 in the questionnaire for a candidate for an officeholder position at a banking corporation in Appendix A is canceled.
9. In Section 5.10 in the questionnaire for a candidate for an officeholder position at a banking corporation in Appendix A, the words "or were" are deleted, the words "or are you" shall be added; and after the words "criminal investigations", the words "concerning felony or misdemeanor offenses" shall be added.
10. In Section 5.11 in the questionnaire for a candidate for an officeholder position at a banking corporation in Appendix A, after the word "were", the words "or are you" shall be added; and the phrase "any non-criminal investigations or any disciplinary proceedings by any supervisory authorities" shall be replaced with: "non-criminal investigations or any disciplinary proceedings, all conducted by supervisory authorities."
11. At the end of Section 5.13 in the questionnaire for a candidate for an officeholder position at a banking corporation in Appendix A, the following shall be added: "If the background for this is a criminal offense, please provide details only regarding offenses that may lawfully be considered in the evaluation of your candidacy."
12. In Section 2 of the candidate's declaration in Appendix A, the word "register" shall be replaced with "information", the word "regulations" shall be replaced with "regulation", and the year "5741-1981" shall be replaced with "5779-2019" (hereinafter – the Law). At the end of the section, the following shall be added: "Attached is my consent in the form set out in the Third Schedule to the Law."
13. In Section 3 of the candidate's declaration in Appendix A, the words "Supervision of Insurance" shall be replaced with "Capital Market, Insurance and Savings Authority", and the words "Antitrust Commissioner" shall be replaced with "Competition Authority". At the end of the section, the following shall be added: "To the extent that it is entitled to receive under the Law."
14. After the candidate's declaration in Appendix A, a consent form shall be added for the release of information from the criminal register and information on pending cases,

pursuant to Sections 11 or 12 of the Criminal Information and Rehabilitation of Offenders Law, 5779-2019.

15. In the section on verifying completeness of the materials submitted in Appendix A, a new Section 7 shall be added: "Consent in the form set out in the Third Schedule to the Criminal Information and Rehabilitation of Offenders Law."

Explanatory remarks

16. The information required from a candidate for an officeholder position at a banking corporation in the questionnaire and candidate declaration in Appendix A, were adjusted to what is determined in the new law. In addition, a consent form for transferring information from the criminal register and information on pending files was added, in line with what is determined in the new law.

Commencement

The amendments to this Directive will go into effect on the day the Circular is published.

File update

Following are the updates to the Proper Conduct of Banking Business file:

Remove pages	Insert pages
301-1-53 [29] (4/22)	301-1-57 [30] (2/23)

Respectfully,

Yair Avidan

Supervisor of Banks