



Bank of Israel
Payment and Settlement Systems

Israel's Payment and Settlement Systems

**Main developments in 2015-2016 and
2015 BIS statistical tables**

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Main Developments in 2015 and 2016

In 2015–16 the Bank of Israel continued working to improve the efficiency of the payment systems. It acted to encourage the use of advanced and lower-risk electronic means of payment and increased its activity in the regulation of payment and settlement systems with the goal of ensuring their stability. Likewise, the Bank acted to enhance competition in the payment systems and to make them more accessible to payment service providers that are not banking corporations.

In recent years there has been marked development of Israel's payment system, primarily because innovative technologies make it possible to reduce transaction costs, increase the speed of payments, document and monitor transactions executed via electronic means of payment, improve ease of use—for payers and recipients—and to provide immediate payment services. These technologies also make it possible to expand redundancy in the payment services area and to strengthen business continuity capabilities.

Among the most significant reforms in recent years is the switch from physical to electronic clearing of checks, in accordance with the **Electronic Check Clearing Law, 5776-2016**. This law was published in Reshumot (the official Gazette) on February 10, 2016, and is intended to advance the use of checks and the process of clearing them. The Law makes it possible to halt the physical check at the bank in which it is presented for payment, and to only send an image file of the check to the bank from which the money is withdrawn. The implementation of the law has already begun and is being carried out in two main stages. In the first stage, beginning November 8, 2016, interbank clearing became possible for checks deposited via cellular application. (Previously, it had only been possible to deposit checks drawn on the same bank in this manner.)¹ The second stage will begin in the third quarter of 2017, when all checks will be cleared in accordance with the provisions of the new law. The Electronic Check Clearing Law significantly advances the check clearing process, supports processes of increasing efficiency being adopted by the banking system and enables bank customers to deposit checks electronically, in an advanced, convenient, and efficient manner.

In recent years, several joint committees were set up and went into action, and their recommendations directly impacted on the payment and settlement systems in Israel. **The Committee to Reduce the Use of Cash in the Israeli Economy (the “Locker Committee”)**² was established with the goal of reducing the shadow economy in Israel. The legislative memorandum for the Reducing the Use of Cash Law, 5775-2015, was published on February 4, 2015, and on July 28, 2015 the Knesset approved the bill in

¹ <http://www.boi.org.il/en/NewsAndPublications/PressReleases/Pages/8-11-16-ElectronicClearing.aspx>

² In July 2014, the Locker Committee Report was published, which includes the public's comments, and on October 22, 2014, the Government approved its recommendations. <http://www.boi.org.il/en/PaymentSystem/Documents/The%20Committee%20to%20Examine%20Reducing%20the%20Use%20of%20Cash%20in%20Israel%E2%80%99s%20Economy.pdf>

its first reading. The legislative process is still not complete, but the Bank of Israel is promoting the implementation of the Committee's recommendations:

Promoting the use of advanced means of payment

The Locker Committee concluded that in parallel with reducing the use of paper-based means of payment (cash and anonymous checks), advanced digital substitutes should be produced. Thus, in March 2014, the **Joint Committee for Promoting Advanced Electronic Means of Payment** was established, headed by the Director of the Accounting, Payment and Settlement Systems Department at the Bank of Israel, Mrs. Irit Mendelson (the Mendelson Committee). The Committee examined how to promote the use of advanced means of payment, including digital checks and electronic wallets, and it published an interim report in November 2015.³ Its main recommendations include regulating payment services, examining the need to set up a new and secure retail infrastructure for immediate and final settlement of advanced payments, examining the need for a digital check, and setting up—through the National Cyber Bureau—a secure infrastructure for executing payments. Accordingly, the Committee set up subcommittees to extensively examine the recommendations: **a Bank of Israel Team to Examine the Need for a New Retail Infrastructure**⁴, **a Bank of Israel Team to Examine the Need for Digital Checks**⁵, and **a Joint Subcommittee to Formulate a Legislative Memorandum for Regulating Payment Services** (Managing a Payment Account, Issuing Means of Payment and Acquiring Payment Transactions). The Subcommittee for Regulating Payment Services was established in March 2016 and is led by the Head of the Payment Systems Oversight Unit at the Bank of Israel.⁶ This Subcommittee formulated the Principles for Regulating Payment Services⁷ and published them in July 2016 for public comment. The Subcommittee's work was based on the European Payment Services Directive (PSD) and on a subsequent revised version, PSD2,⁸ with adjustments to the domestic market. The regulation of payment services will allow competition in payment services, will establish uniform consumer protections that will be applied on all payment service providers and all payment services, will strengthen the public's trust in nonbank suppliers of payment services and advanced means of payment, and will encourage technological and business innovation, all while maintaining the stability and sound operations of the payment systems.

³ <http://www.boi.org.il/en/NewsAndPublications/PressReleases/Documents/Interim%20Report-The%20Committee%20for%20Promoting%20Use%20of%20Advanced%20Means%20of%20Payment%20in%20Israel.pdf>

⁴ The Team presented the situation worldwide and the domestic market's needs in November 2016.

⁵ The Team submitted a concluding report in June 2016.

⁶ The Committee included representatives from the Bank of Israel, the Israel Antitrust Authority, the Ministry of Finance, and the Ministry of Justice.

⁷ <http://www.boi.org.il/en/NewsAndPublications/PressReleases/Pages/5-10-16.aspx>

⁸ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015L2366&from=EN>

Promoting the establishment of an additional switch⁹ for executing payment card transactions

Based on the recommendations of the Locker Committee, the Bank of Israel established a **Team to Examine the Need for Establishing an Additional Switch for Executing Payment Card Transactions**. The Team conducted a comprehensive examination of all the links in the transaction execution chain, including an examination of the need to set up an additional switch. The Team published an interim report in August 2015, and its final report in July 2016.¹⁰ The Team recommended taking actions to remove the existing barriers in the market and to enable new participants to join it. The main points of the recommendations were to expand the activity and participation of the National Payments Council¹¹ to additional relevant parties at interest, in accordance with the World Bank model; to set up a Payment Cards Committee; to regulate the principles and rules for the development and use of a protocol for conducting a payment card transaction;¹² to implement the protocol in a modular manner, meaning in a way that will make it possible to choose the terminal's uses and to implement them in accordance with users' needs; and to ensure that the terminals will support numerous contactless applications and transactions.

In 2015 and 2016 the Bank of Israel began implementing the recommendations of the Switch Committee:

- The activity of the National Payments Council was expanded in the past year in order to bring the market in line with regulatory and technological developments, through collaboration of all the entities involved in the sector, including financial corporations (banks and nonbanks), clearing houses, regulators, and various ministries. The Council's responsibility is focused on two functions: (1) supporting the attainment of stability and efficiency in the payment systems in Israel, and (2) promoting the use of advanced means of payment and enhancing competition in the payment services sector.
- Regulation regarding contactless transactions was published.
- A Payment Card Committee was established¹³ to discuss the professional and technological issues related to the methods of activity and rules for executing transactions in

⁹ The infrastructure that connects issuers and merchant acquirers (or various processors) for the approval and acquiring of a payment card transaction.

¹⁰ [http://www.boi.org.il/en/PaymentSystem/LawsAndRegulations/Announcements%20Document/Payment%20Card%20Transaction%20Chain%20\(Final%20Report\)%20Bank%20of%20Israel.pdf](http://www.boi.org.il/en/PaymentSystem/LawsAndRegulations/Announcements%20Document/Payment%20Card%20Transaction%20Chain%20(Final%20Report)%20Bank%20of%20Israel.pdf)

¹¹ The National Payments Council was established in 2009. It is an advisory entity that meets twice yearly, and serves as a forum for cooperation with the objectives of promoting initiatives to implement payment system infrastructures; encouraging competition among participants; preparing strategic planning by payment systems; monitoring the implementation of reforms, and others. The Council was expanded in accordance with the World Bank model.

¹² The technical specifications and structure of the message that serves to convey a transaction between entities in the chain.

¹³ In December 2015.

the payment card system. The Committee includes representatives of various participants in the payment card market, including Shva, the banks, distributors, manufacturers, acquirers, and issuers.

- Terms of access to the Masav and Shva payment systems were compiled, and the Bank of Israel published principles that establish that these need to be objective, risk-based, transparent to the public, and permit fair and open access to participation in the payment systems. The implementation of the principles in the various systems will enable nonbank entities to participate directly or indirectly in the payment systems.¹⁴
- Shva protocol principles were defined, and they were published in July 2016.¹⁵

The Bank of Israel is taking part in the technological revolution in Israel's means of payment sector, with an understanding of the importance of regulation and oversight that are intended to ensure the realization of the advantages incorporated in them and to minimize the risks, while maintaining the stability and efficiency of the payment systems in Israel.

Main Developments in Payment Systems in 2015

1. Zahav¹⁶

The Zahav (the Hebrew acronym for RTGS) system fulfills three functions:

- Conducts interbank transactions—transactions executed by banks and their customers, including transfers from abroad. Table 1 presents interbank activity, with a separation between activity in shekels (excluding CLS) and conversions of shekels into foreign currencies (only CLS).
- Provides final settlement for clearing houses¹⁷ and executes their net settlement. Table 1 presents this activity in the “Clearing houses” column.
- Settles transactions initiated by the Bank of Israel. These transactions appear in Table 1 in the “Bank of Israel” column, and the data in the column reflect the Bank's activity as the banker of the Government and as the operator of the Zahav system (such as loans and monetary deposits that the Bank extends and receives from participants, transactions in respect of participants' collaterals, and manual entries of transfers executed in the Zahav system).

¹⁴ <http://www.boi.org.il/en/NewsAndPublications/PressReleases/Pages/31-07-2016.aspx>

¹⁵ <http://www.boi.org.il/en/NewsAndPublications/PressReleases/Documents/Principles%20and%20complementary%20steps%20in%20the%20development%20and%20use%20of%20a%20protocol.pdf>

¹⁶ Further information on the Zahav system can be found at <http://www.boi.org.il/en/PaymentSystem/ZahavSystem/Pages/Default.aspx>

¹⁷ Masav, the Paper-based (Checks) Clearing House, and the Tel Aviv Stock Exchange Clearing Houses (the securities clearing house and the derivatives (Maof) clearing house).

Table 1 indicates that in 2015 about 603,000 transactions, with a total value of NIS 96,000 billion, were settled through the Zahav system. Compared with 2014, the number of transactions increased by 17.3 percent (from 514,000) and their total value increased by 21.6 percent (from about NIS 79,000 billion), so that the average transaction amount increased by about 3.6 percent.

When examining the interbank transactions that were executed on the Zahav system (Table 1), it is found that their number increased by around 18.8 percent from 2014 to 2015, while their value decreased by about 0.3 percent. The picture becomes clearer with Figure 1, which focuses on customer transactions of up to NIS 1 million and indicates that there is an increase in both the number and total value of such transactions. These changes illustrate that the system is beginning to become widespread among households as well as small and medium businesses.

Table 1
Activity in the Zahav system, by component, 2008–15

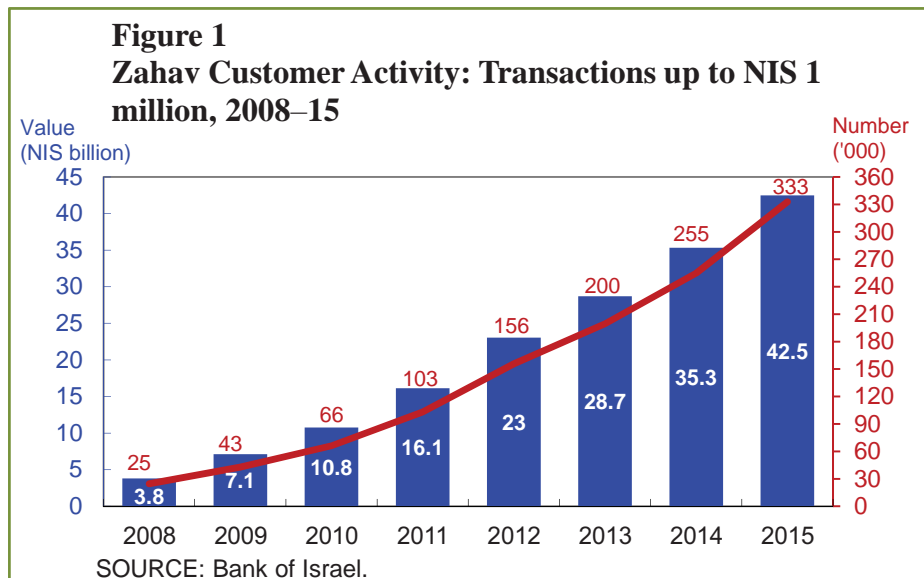
	Excluding CLS	Interbank ^a		Clearing houses	Bank of Israel	Total
		CLS only	Total			
Amounts (NIS billion)						
2008	5,894	508	6,402	7,506	7,966	21,874
2009	3,809	933	4,742	4,831	52,731	62,304
2010	4,575	1,097	5,672	4,294	65,818	75,784
2011	5,897	1,408	7,305	4,066	77,573	88,944
2012	5,109	1,606	6,715	3,515	69,637	79,867
2013	3,746	1,145	4,890	3,069	63,723	71,682
2014	3,675	1,119	4,794	3,012	71,527	79,333
2015	3,745	1,037	4,782	2,870	88,779	96,431
Yearly change (percent)	1.91	-7.31	-0.24	-4.72	24.12	21.55
Transactions (units)						
2008	185,584	7,913	193,497	8,948	13,959	216,404
2009	156,430	10,427	166,857	9,398	21,394	197,649
2010	217,872	10,774	228,646	10,707	21,864	261,217
2011	305,138	10,813	315,951	11,068	22,591	349,610
2012	355,821	10,632	366,453	12,184	21,693	400,330
2013	406,627	10,871	417,498	10,768	20,602	448,868
2014	471,592	11,765	483,357	10,206	20,690	514,253
2015	562,205	12,002	574,207	8,668	20,423	603,298
Yearly change (percent)	19.21	2.01	18.80	-15.07	-1.29	17.32

^a Shekel activity in CLS began on May 26, 2008.

SOURCE: Bank of Israel.

Two processes impacted markedly on the number of transactions executed by customers in the Zahav system in the past year:¹⁸

1. In January 2015, an amendment to the Banking (Service to the Customer)(Fees) Rules, 5768-2008, was published, establishing that when a bank transfers funds of up to NIS 1 million via the Zahav system, it is permitted to charge a fee that does not exceed the amount of one teller-executed fee (approximately NIS 6). The amendment went into effect on February 1, 2015. The fee reduction in respect of this service was intended mainly to make the Zahav system more accessible to the public and to encourage the public to use the system to execute transactions that are important to be carried out in an immediate and irrevocable manner, even when the amount is small.
2. An amendment was made to the Prohibition on Money Laundering (The Banking Corporations' Requirement regarding Identification, Reporting, and Record-Keeping for the Prevention of Money Laundering and the Financing of Terrorism) Order, 5761-2001. The amendment refers to transfers from abroad, and the amendment noted the need to execute such transfers via Zahav instead of via Masav. The Zahav Committee and the Banks' Clearing House Committee approved that.¹⁹



¹⁸ These transactions include bilateral transactions, meaning those in which one side is debited and one side is credited, chief among them (1) messages that contain an instruction to execute a transaction between customers (customer to customer transaction, from Israel and from abroad) and (2) messages that contain an instruction to execute a transaction between banks (bank-bank message), such as transfers, providing interbank credit, settling derivatives transactions of small amounts, transferring fee payments between banks, CLS transaction clearing, interbank loans, and others.

¹⁹ It was decided that the process would be implemented in January 2016.

Table 2 presents the transactions executed by customers via the Zahav system during 2015, and segments them by amounts and by geographical location of customers.

Table 2

Customer transactions ^a in Zahav system, 2015												
	January	February	March	April	May	June	July	August	September	October	November	December
Up to 50,000	10,490	10,244	12,584	11,061	12,489	14,054	14,257	14,531	12,448	14,521	15,691	17,112
50,000–100,000	4,021	3,995	4,725	4,082	4,518	5,114	5,122	5,294	4,386	4,942	5,529	5,980
100,000–500,000	6,665	6,755	7,898	6,826	7,479	8,255	8,071	8,146	6,976	7,534	8,234	9,271
500,000–1,000,000	1,744	1,696	2,055	1,812	1,878	2,130	2,135	1,946	1,717	1,886	2,072	2,362
1,000,000–10,000,000	10,190	9,382	11,234	9,745	10,143	11,295	10,768	10,314	9,217	9,519	10,153	12,138
Over 10,000,000	2,652	2,562	2,995	2,556	2,495	2,853	2,629	2,595	2,268	2,315	2,458	3,157
Total customers' transactions	35,762	34,634	41,491	36,082	39,002	43,701	42,982	42,826	37,012	40,717	44,137	50,020
	January	February	March	April	May	June	July	August	September	October	November	December
Customers in Israel	34,614	33,579	40,164	34,979	37,920	42,135	41,635	41,616	35,792	39,344	42,865	48,480
Customers abroad	1,148	1,055	1,327	1,103	1,082	1,566	1,347	1,210	1,220	1,373	1,272	1,540
Total customers' transactions	35,762	34,634	41,491	36,082	39,002	43,701	42,982	42,826	37,012	40,717	44,137	50,020

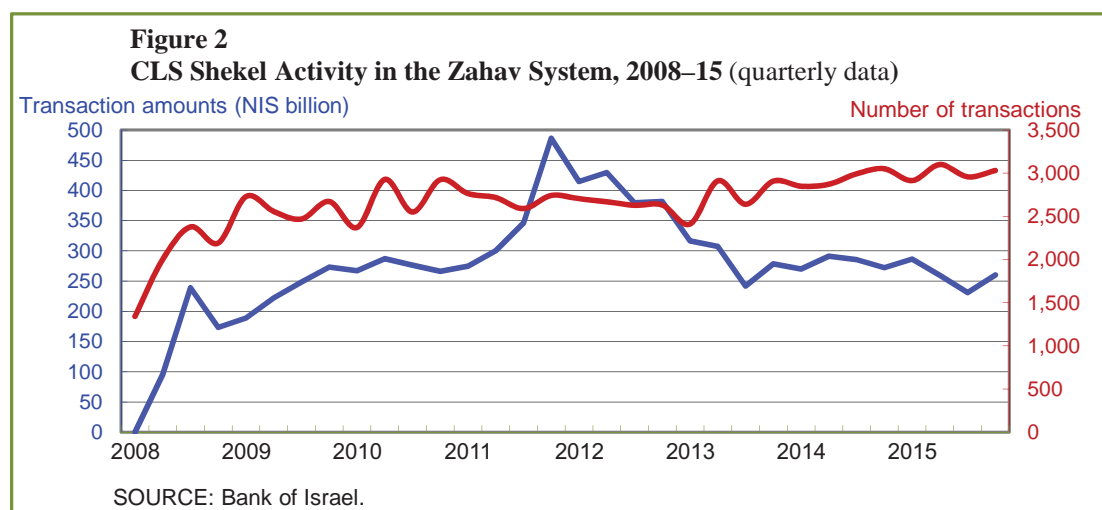
^a Amounts in NIS.

SOURCE: Bank of Israel.

2. CLS Bank

CLS Bank operates a major multicurrency cash settlement system, and carries out most conversion transactions that are executed in Israel and in which the shekel is one of the sides.

In 2015, these transactions totaled approximately NIS 1,037 billion—a decline of about NIS 7.3 percent compared with 2014. The number of transactions settled in CLS increased by around 2 percent between the two years (Figure 2).



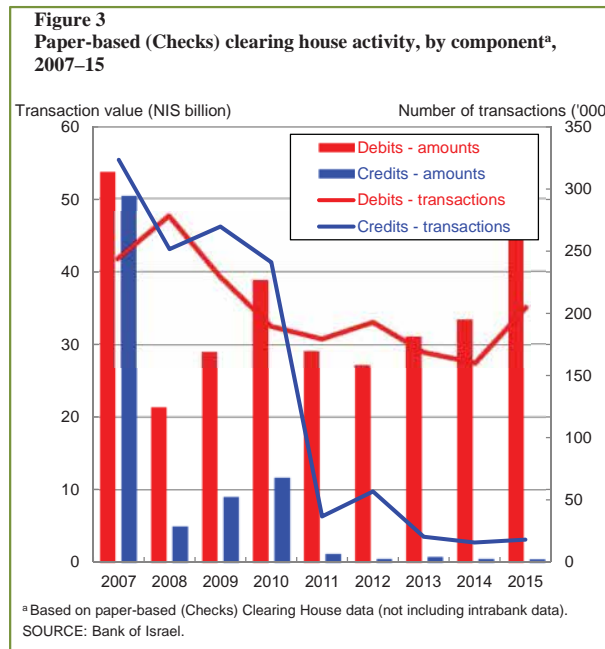
3. Banks' Clearing House

3.1 Paper-based (Checks) Clearing House

Checks, manual drafts, and collection vouchers are settled through the Paper-based (Checks) Clearing House.

In 2015, activity in the Paper-based Clearing House totaled about NIS 986 billion, compared with about NIS 941 billion in 2014, an increase of about 4.8 percent. The number of transactions decreased from about 118,000 to about 115,000, a decline of about 2.2 percent.

Manual debit amounts derived mostly from the settlement of funds from the issuance of corporate securities, which explains the increase in debit amounts in manual clearing corresponding with the increase in the issuance of corporate securities.²⁰



²⁰ Tel Aviv Stock Exchange Annual Review 2015, Table 10: Capital raised by type of security, 2006–15. http://www.tase.co.il/NRes/Category/Economic/Annual_Reviews/2015/Annual_Review_2015.pdf

Main Developments in Payment Systems in 2015

Table 3

Paper-based (checks) clearing house, by component, 2007–15							
	Manual drafts			Checks			Paper-based clearing house total
	Debits	Credits	Total	Presentations ^a	Returns	Total	
	Amounts (NIS billion)						
2007	55	51	106	749	24	773	879
2008	21	5	26	776	24	800	826
2009	29	9	38	727	22	749	787
2010	39	12	51	784	23	807	858
2011	29	1	30	822	24	846	877
2012	27	0.5	28	835	25	860	888
2013	31	0.8	32	876	26	902	934
2014	34	0.5	34	881	26	907	941
2015	49	0.5	50	910	27	936	986
Yearly change (percent)	46.48	-4.09	45.71	3.22	4.40	3.25	4.79
	Transactions (thousand)						
2007 ^b				148,254	3,508	151,762	151,762
2008	252	233	485	131,739	3,609	135,348	135,833
2009	229	270	499	121,258	3,249	124,507	125,006
2010	190	241	431	121,645	2,963	124,608	125,039
2011	180	37	217	120,583	2,883	123,466	123,683
2012	193	57	250	119,094	2,804	121,898	122,148
2013	169	20	189	117,720	2,647	120,366	120,555
2014	161	16	176	115,148	2,499	117,647	117,823
2015	205	18	223	112,594	2,441	115,036	115,258
Yearly change (percent)	27.50	12.81	26.20	-2.22	-2.30	-2.22	-2.18

^a Including electronic presentation of collection vouchers.

^b Data on the number of manual drafts were not collected until 2008.

SOURCE: Bank of Israel.

3.2 Masav²¹

Electronic credits and debits are executed in the “Credit, Debit and Transfer of Payments” system operated by Masav. (Electronic credits are also carried out in the Zahav system.) Table 4 indicates that credits account for about 82.2 percent of total payments settled in Masav.

Activity in Masav increased this year, the result of increases in both credits and debits: the total value of debits increased by about 5.6 percent during the year (compared with about 12.5 percent in the previous year), and the total value of credits increased by about 5 percent (compared with about 3.5 percent in the previous year).

There are 28,071 institutions participating in Masav—organizations, banking corporations, the Postal Bank, government ministries and public institutions, as well as other clearing institutions. In 2015, the number of organizations operating in Masav increased by about 7.5 percent, year over year.

Table 4
Masav by component, 2007–15

	Credits	Debits	Credit returns ^a	Debit returns	Total
Amounts (NIS billion)					
2007	5,940	235	-	3.9	6,179
2008	1,473	261	-	4.9	1,739
2009	1,503	271	-	5.5	1,779
2010	1,635	317	1.0	4.6	1,958
2011	1,752	342	1.0	4.7	2,100
2012	1,911	364	0.8	4.7	2,280
2013	1,998	392	0.9	4.6	2,395
2014	2,067	440	1.1	4.7	2,513
2015	2,169	465	1.3	4.6	2,640
Yearly change (percent)	4.95	5.63	17.43	-1.89	5.06
Transactions (thousand)					
2007	92,955	146,116	-	4,535	243,606
2008	96,316	152,892	-	5,003	254,211
2009	97,478	157,749	-	5,395	260,622
2010	103,326	168,186	104	4,926	276,541
2011	111,055	174,125	108	4,446	289,734
2012	119,100	180,180	109	4,295	303,684
2013	125,651	187,204	136	4,188	317,179
2014	130,976	190,645	162	4,221	326,003
2015	138,557	193,950	183	3,801	336,491
Yearly change (percent)	5.79	1.73	13.26	-9.96	3.22

^a Credit returns began being settled in Masav instead of in the paper-based clearing house in December 2009.

SOURCE: Masav.

²¹ Further information on the Masav system is available at <http://www.boi.org.il/en/PaymentSystem/ActiveClearingHousesInIsrael/Pages/ClearingHouse.aspx>

4. The TASE clearing houses

The TASE clearing houses—the securities clearing house and the Maof (derivatives) clearing house—settle the results of trading on the stock exchange. Securities are settled in the TASE clearing houses immediately after the transfer of funds has been settled between the members of the stock exchange in the Zahav system.

Similar to most stock exchanges worldwide, trading volume on the Israeli stock exchange increased. Average daily trading volume in shares increased in 2015 to about NIS 1.45 billion (an increase of about 19.5 percent from the previous year). Average daily trading volume in the bond market was about NIS 4.16 billion (a decline of about 2 percent from the previous year). Table 5 indicates that in 2015, the annual volume of securities traded on the TASE was about NIS 1,485 billion, compared with about NIS 1,477 billion in the previous year (an increase of about 0.6 percent).

Table 5
Securities trading volumes, 2006–15

	Shares and convertibles	Government	Bonds Other	Total	<i>Makam</i>	Total
	Amounts (NIS billion)					
2006	360	356	68	424	198	982
2007	506	636	165	801	207	1,514
2008	481	761	224	985	192	1,658
2009	423	789	223	1,012	160	1,595
2010	498	579	218	797	291	1,586
2011	422	703	217	920	287	1,629
2012	264	748	247	995	155	1,414
2013	286	810	249	1,059	141	1,486
2014	297	774	249	1,023	157	1,477
2015	355	751	255	1,006	125	1,485
Yearly change (percent)	19.45	-2.96	2.29	-1.68	-20.55	0.57

SOURCE: Tel Aviv Stock Exchange.

Statistical Appendix: Tables of Statistical Data (BIS Tables)

General information, banknotes and coins, institutions and deposits

Table 1—Basic Information on the Israeli Economy

Table 2—Means of Payment Used by Nonbank Entities

Table 3—Means of Payment Used by the Banks

Table 4—Banknotes and Coins

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Table 6—Number of Payment Cards and Terminals

Table 7—Indicators of the Use of Payment Systems by Nonbank Entities: Number of Transactions

Table 8—Indicators of the Use of Payment Systems by Nonbank Entities: Value of Transactions

Interbank settlement (Zahav, Masav, Checks, SWIFT)

Table 9—Participation in Interbank Systems for Transferring Payments

Table 10—Number of Transactions in Selected Payment Systems

Table 11—Value of Transactions in Selected Payment Systems

Table 12—Israeli Participants in SWIFT

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The TASE and its clearing houses

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Table 1
Basic Information on the Israeli Economy
 (Current prices, at year end)

	2008	2009	2010	2011	2012	2013	2014	2015	Annual Change (percent)
Average population (thousands) ¹	7,309	7,463	7,625	7,728	7,909	8,059	8,216	8,381	2.01
GDP (NIS billion)	726	768	814	870	928	1,053	1,088	1,155	6.08
Per capita GDP (NIS thousand)	99.3	102.9	106.8	112.6	117.3	130.7	132.4	137.8	3.99
Annual rate of change in CPI (percent) ²	3.8	3.91	2.66	2.17	1.63	1.82	-0.20	-1.00	409.97
Average monthly inflation rate (percent)	0.31	0.32	0.22	0.18	0.14	0.15	-0.02	-0.08	409.97
NIS/dollar exchange rate	3.802	3.775	3.549	3.821	3.733	3.471	3.889	3.902	0.33
NIS/dollar exchange rate (annual average)	3.586	3.923	3.732	3.579	3.858	3.610	3.578	3.884	8.55

¹ Calculated as the average between December of the current year and the previous December.

² CPI of December of the current year against CPI of the previous December.

SOURCE: Central Bureau of Statistics and Bank of Israel.

Table 2
Means of Payment Used by Nonbank Entities
 (NIS million, average for December)

	2008	2009	2010	2011	2012	2013	2014	2015	Annual Change (percent)
Value of the public's current account deposits in banks	41,916	73,621	75,889	73,505	77,824	95,158	141,139	213,685	51.40
Money supply (M1) ¹	71,895	109,481	114,467	116,518	126,619	145,838	197,761	278,202	40.68

¹ Cash held by the public and demand deposits.

SOURCE: Bank of Israel.

Table 3
Means of Payment Used by the Banks
(NIS million, daily average for December)

	2008	2009	2010	2011	2012	2013	2014	2015	Annual Change (percent)
Banks' deposits in the Bank of Israel ¹	27,172	99,939	92,950	119,656	122,216	117,735	138,798	160,578	15.69
<i>Of which:</i>									
Reserve requirement ²	18,063	21,468	21,702	25,487	26,240	29,073	32,463	38,690	19.18
Free reserves	9,109	78,471	71,248	94,169	95,976	88,662	106,335	121,888	14.63
Credit provided by the Bank of Israel:									
Intra-day credit ³	29,986	93,049	86,385	105,791	106,477	98,218	115,914	132,709	14.49
Inter-day credit ⁴	0	16	0	0	0	0	0	0	
Long-term credit ⁵	0	0	0	0	0	0	0	0	

¹ Current account deposits and short-term deposits, in domestic and foreign currency.

² The reserve requirement is calculated according to the average of the last liquidity month of the year (starting on the last Thursday of November and ending on the last Wednesday of December).

³ Start of day balances. The collateral system is dynamic and enables immediate matching of the amount of collateral to the banks' needs.

⁴ Credit provided by the Bank of Israel for one business day.

⁵ Credit provided by the Bank of Israel for more than one business day.

SOURCE: Bank of Israel.

Table 4
Banknotes and Coins
(NIS million, at year end)

	2008	2009	2010	2011	2012	2013	2014	2015	Annual Change (percent)
Banknotes and coins in circulation ¹	34,351	41,479	44,828	48,976	54,767	57,530	63,188	73,482	16.29
Banknotes in circulation	33,073	40,114	43,367	47,419	53,114	55,735	61,274	71,412	16.54
<i>Of which:</i>									
NIS 200 banknote	16,132	21,485	25,773	30,356	35,291	37,798	42,663	51,189	19.98
NIS 100 banknote	13,998	15,425	14,486	14,090	14,571	14,652	15,174	16,489	8.67
NIS 50 banknote	2,298	2,535	2,397	2,288	2,556	2,567	2,723	2,986	9.66
NIS 20 banknote	612	637	709	683	693	716	712	746	4.78
Other ²	33	32	2	2	2	2	2	2	0.00
Coins in circulation	1,278	1,365	1,461	1,557	1,653	1,795	1,914	2,070	8.12
<i>Of which:</i>									
NIS 10 coin	452	486	524	566	604	669	717	786	9.57
NIS 5 coin	265	280	300	319	336	365	389	425	9.15
NIS 2 coin	45	70	81	88	100	114	122	131	6.83
NIS 10 coin	369	376	392	411	432	455	481	513	6.54
NIS 1/2 coin	59	61	65	71	70	74	79	84	5.95
10 agorot coin	88	92	99	102	112	120	125	132	5.30
Cash held by the banks ³	4,372	5,619	6,231	5,963	6,052	6,943	6,370	8,671	36.08
Cash held by the public	29,979	35,860	38,597	43,013	48,715	50,587	56,818	64,811	14.07

¹ The value of the banknotes and coins in circulation includes the cash held by the public and in the banks' vaults, excluding commemorative coins and collectors' coins.

² Old banknotes which can be exchanged at the Bank of Israel.

³ Banknotes and coins in the vaults of the commercial banks. Does not include money held by the public.

SOURCE: Bank of Israel.

Table 5
Institutions Offering Payment Services to Nonbank Entities

	(at year end)							
	2008	2009	2010	2011	2012	2013	2014	2015
Bank of Israel¹								
Number of branches or offices	3	3	3	3	3	3	3	3
Number of accounts, (banks and non-banks)	530	535	555	603	620	586	594	592
Number of accounts, banks	60	60	60	61	56	53	53	44
Number of accounts, non-banks	470	475	495	542	564	533	541	548
Value of the accounts, all (NIS million)	45,530	202,838	113,238	140,849	137,436	145,119	153,111	183,567
Banking corporations								
Number of institutions	24	23	23	24	22	21	21	20
Number of branches and offices	1,105	1,137	1,177	1,215	1,236	1,203	1,215	1,214
Banking corporations in Israel, by categories:								
Regular banking corporations								
Number of institutions	15	15	15	15	15	15	15	14
Number of branches or offices	1,071	1,112	1,150	1,189	1,215	1,194	1,206	1,205
Mortgages banks								
Number of institutions	3	2	2	2	1	0	0	0
Number of branches or offices	25	15	17	16	12	0	0	0
Joint services companies²								
Number of institutions	2	2	2	2	2	2	2	2
Number of branches or offices	2	2	2	2	2	2	2	2
Branches of foreign banks³								
Number of institutions	4	4	4	5	4	4	4	4
Number of branches or offices	7	8	8	8	7	7	7	7
Other institutions⁴								
Number of institutions	4	4	4	4	4	4	4	4
<i>Of which:</i>								
Postal Bank								
Number of institutions	1	1	1	1	1	1	1	1
Number of branches or offices	717	723	737	729	751	756	735	710
Credit card companies⁵								
Number of institutions	3	3	3	3	3	3	3	3

¹Accounts in which payments can be executed in domestic currency. There was a statistical adjustment in the number of accounts of nonbank institutions for 2008 through 2014.

²Masav and Shva.

³Foreign banks that are legally recognized as banking corporations in Israel.

⁴Credit card companies and the Postal Bank.

⁵Isracard, Leumi Card, and Cal.

SOURCE: Bank of Israel.

Table 6
Number of Payment Cards and Terminals
(At year end)

	2011	2012	2013	2014	2015	Annual Change (percent)
Cards issued in Israel^{1,2} (thousands)						
Cards with cash withdrawal function	6,986	7,507	8,015	8,654	9,244	6.82
Debit cards ³	437	490	558	664	774	16.60
Deferred-debit cards ⁴	4,589	4,886	5,211	5,452	5,781	6.04
Credit cards	5,145	5,393	5,654	5,987	6,361	6.25
Electronic-Money Cards ⁵	460	399	435	546	666	21.94
<i>Of which</i> : cards that were loaded at least once	302	298	346	381	411	7.82
Total number of active cards ⁶	5,998	6,350	6,706	7,177	7,573	5.52
Terminals located in Israel						
ATMs ^{7,8}	4,770	5,262	6,204	6,769	7,506	10.89
<i>Of which</i> : ATMs with cash withdrawal ⁸	3,577	4,052	4,609	5,156	5,865	13.75
Points of sale that honor payment cards ⁹	111,461	117,223	123,928	133,985	141,615	5.69

¹ Each card can be used for several functions (e.g., card that is used both for deferred debit and cash withdrawal).

² Valid cards at the end of the year (active and inactive).

³ Cards allowing an immediate debit of the customer's account for transactions executed in Israel.

⁴ Cards allowing a debit of the customer's account at the end of the period, that do not permit the division into

⁵ Prepaid cards, both reloadable and non-reloadable.

⁶ Cards that had at least one transaction during the last quarter of the year.

⁷ Including bank ATMs that receive settlement services from banking corporations. Until December 2013, including ATMs belonging to Shva (Automated Bank Services).

⁸ At the end of 2015, data for 2011-2014 were updated in accordance with banks' information.

⁹ Electronic terminals in which payments can be made by means of payment cards.

SOURCE: The credit-card companies, Shva, the Banking Supervision Department, and Bank of Israel

ISRAEL'S PAYMENT AND SETTLEMENT SYSTEMS, 2015

Table 7
Indicators of the Use of Payment Systems by Nonbank Entities: Number of Transactions
 (Thousands, cumulative annual)

	2008	2009	2010	2011	2012	2013	2014	2015	Annual Change (percent)
Volume by the means of payment	1,062,486	1,105,296	1,184,091	1,256,085	1,348,389	1,447,397	1,532,666	1,646,704	7.44
Direct credits¹	96,638	98,176	103,733	111,334	119,449	126,011	131,394	139,063	5.84
<i>Of which:</i>									
Paper-based credits ²	252	270	241	37	57	20	16	18	12.81
Electronic credits ³	96,386	97,906	103,492	111,297	119,392	125,990	131,378	139,046	5.84
Direct debits⁴	153,170	157,979	168,376	174,305	180,373	187,373	190,806	194,155	1.76
<i>Of which:</i>									
Paper-based debits	278	229	190	180	193	169	161	205	27.50
Electronic debits	152,892	157,749	168,186	174,125	180,180	187,204	190,645	193,950	1.73
Payments with cards issued in Israel⁵	653,331	697,393	761,117	821,299	901,028	989,438	1,069,144	1,175,646	9.96
Checks⁶	159,347	151,748	150,865	149,147	147,539	144,575	141,321	137,840	-2.46
Volume by type of terminal⁷	826,668	870,115	896,861	950,295	1,030,916	1,113,553	1,187,145	1,292,531	8.88
<i>Of which:</i>									
Withdrawals from ATMs ⁸	128,494	125,573	124,863	123,248	124,961	125,582	113,782	114,738	0.84
Transfer of payments at points of sale ⁹	698,174	744,542	771,998	827,047	905,954	987,970	1,073,363	1,177,793	10.00

¹ Interbank credits settled in Masav, Zahav and the paper-based clearing house

² Manual credits at the paper-based clearing house. Estimation based on one day in each month.

³ Interbank credits settled in Masav and Zahav.

⁴ Manual debits in the paper-based clearing house (estimation based on one day in each month) and debits in Masav.

⁵ Payments executed in Israel or abroad.

⁶ Including interbank and intrabank transactions.

⁷ Including transfers by manual terminals.

⁸ Until December 2013, including ATMs belonging to Shva (Automated Bank Services).

⁹ Transfers executed at electronic points of sale by means of payment cards, including debit and credit transactions.

SOURCE: Bank of Israel and Shva.

Table 8
Indicators of the Use of Payment Systems by Nonbank Entities: Value of Transactions
(NIS million, cumulative annual)

	2008	2009	2010	2011	2012	2013	2014	2015	Annual Change (percent)
Value by the means of payment	4,108,601	3,955,018	4,422,619	4,852,458	5,084,657	5,244,143	5,528,591	5,792,897	4.78
Direct credits¹	2,741,691	2,627,043	2,976,495	3,341,114	3,515,500	3,596,324	3,816,210	3,999,926	4.81
<i>Of which:</i>									
Paper-based credits ²	4,999	9,027	11,693	1,204	521	789	517	496	-4.09
Electronic credits ³	2,736,692	2,612,240	2,904,249	3,339,910	3,514,979	3,595,535	3,815,693	3,999,430	4.82
Direct debits⁴	282,153	300,322	355,681	371,642	391,133	422,719	473,996	514,366	8.52
<i>Of which:</i>									
Paper-based debits	21,360	29,088	38,895	29,184	27,272	31,196	33,513	49,090	46.48
Electronic debits	260,793	271,235	316,785	342,458	363,861	391,523	440,483	465,276	5.63
Payments with cards issued in Israel⁵	160,626	167,987	184,494	198,175	213,604	228,867	241,360	259,911	7.69
Checks⁶	924,131	859,666	905,949	941,527	964,420	996,234	997,024	1,018,694	2.17
Value by type of terminal in Israel⁷	229,590	241,729	258,919	275,126	293,422	311,672	322,868	399,683	23.79
<i>Of which:</i>									
Withdrawals from ATMs ⁸	63,297	67,157	70,853	73,718	78,796	83,352	81,823	89,889	9.86
Transfer of payments at points of sale ⁹	166,293	174,572	188,066	201,408	214,626	228,320	241,045	309,795	28.52

¹ Interbank credits of customers, settled in Masav, Zahav, and the paper-based clearing house.

² Manual interbank credits, in the paper-based clearing house.

³ Interbank credits of customers in Masav and Zahav.

⁴ Debits in Masav and manual debits in the paper-based clearing house.

⁵ Payments executed in Israel or abroad.

⁶ Includes interbank and intrabank transactions.

⁷ Includes transfers with manual terminals.

⁸ Until December 2013, including ATMs belonging to Shva.

⁹ Transfers executed at electronic points of sale by means of payment cards. Includes debit and credit transactions.

SOURCE: Bank of Israel and Shva.

Table 9
Participation in Interbank Systems for Transferring Payments
 (at year end)

	2008	2009	2010	2011	2012	2013	2014	2015
Zahav - Payment system for large amounts								
Number of participants	22	22	22	22	21	21	21	20
Direct participants ^{1,2}	18	18	18	19	18	18	18	17
Banking corporations	15	15	15	16	15	15	15	14
Bank of Israel	1	1	1	1	1	1	1	1
Postal Bank	1	1	1	1	1	1	1	1
CLS ³	1	1	1	1	1	1	1	1
Indirect participants ⁴	4	4	4	3	3	3	3	3
Retail payment systems								
Masav								
Number of participants	na	25,023	25,023	23,983	24,686	25,395	26,109	28071
Direct participants ¹	na	25,023	25,023	23,983	24,686	25,395	26,109	28071
Banking corporations	18	18	18	18	18	18	18	17
Bank of Israel	1	1	1	1	1	1	1	1
Postal Bank	1	1	1	1	1	1	1	1
Other institutions ⁵	na	25,000	25,000	23,960	24,663	25,372	26,086	28049
Payment card companies	3	3	3	3	3	3	3	3
Indirect participants ⁶	0	0	0	0	0	0	0	0
Paper-based Clearing House								
Number of participants in the manual clearing house								
	37	37	36	36	35	35	35	33
Direct participants ¹	13	13	13	13	12	12	12	12
Represented participants ⁷	24	24	23	23	23	23	23	21
<i>Of which</i> : Israeli banking corporations	8	8	8	8	8	8	8	7
Palestinian banking corporations ⁸	16	16	15	15	15	15	15	14
Number of participants in the electronic clearing house								
	36	36	35	35	35	35	35	33
Direct participants ¹	8	8	8	8	8	8	8	8
Represented participants ⁷	28	28	27	27	27	27	27	25
<i>Of which</i> : Israeli banking corporations	12	12	12	12	12	12	12	11
Palestinian banking corporations ⁸	16	16	15	15	15	15	15	14

¹ A direct participant is one that can execute actions in the system without an intermediary.

² Bank Massad became a direct participant in February 2010. BNP Paribas Bank stopped its activity in Israel in July 2012.

³ CLS Bank settles payments between 17 currencies.

⁴ Banks that manage liquidity independently, but their communication interface to Zahav is through another bank.

⁵ Data for 2008-10 are estimated. Includes entities such as large companies, small businesses and community centers.

⁶ An indirect participant is one that executes actions in the system via an intermediary.

⁷ Participants represented by direct participants.

⁸ The Palestinian corporations are represented by Israeli banks.

SOURCE: Masav and the Bank of Israel.

Table 10
Number of Transactions in Selected Payment Systems
 (Thousands, cumulative annual)

	2008	2009	2010	2011	2012	2013	2014	2015	Annual Change (percent)
Zahav - payment system for large amounts									
Total transactions ¹	217	197	261	349	400	449	514	603	17.32
Domestic transactions	211	187	251	339	390	438	502	591	17.67
Transactions sent to CLS	3	5	5	5	5	5	6	6	2.01
Transactions received from CLS	3	5	5	5	5	5	6	6	2.01
Concentration ratio in terms of the number of transactions (%) ²	75.78	73.28	74.88	76.46	77.58	78.30	79.29	78.98	-0.40
The retail payment systems									
Masav³									
Total transactions	249,208	255,227	271,512	285,180	299,280	312,855	321,620	332,507	3.38
Direct credits	96,316	97,478	103,326	111,055	119,100	125,651	130,976	138,557	5.79
Direct debits	152,892	157,749	168,186	174,125	180,180	187,204	190,645	193,950	1.73
Concentration ratio in terms of the number of transactions (%) ^{2,4}	-	-	-	-	83.69	84.38	85.14	85.45	0.36
Paper-based (checks) clearing house³									
Total transactions	132,224	121,757	122,076	120,799	119,344	117,909	115,324	112,817	-2.17
Direct credits	233	270	241	37	57	20	16	18	12.81
Direct debits	252	229	190	180	193	169	161	205	27.50
Checks	131,739	121,258	121,645	120,583	119,094	117,720	115,148	112,594	-2.22
Concentration ratio in terms of the number of transactions (%) ^{2,5}	77.00	77.62	78.07	78.06	78.11	77.40	77.37	77.50	0.17

¹ Transactions of customers, banks, clearing houses, and the Bank of Israel.

² Market share of the five most active institutions in the system. In 2015, U-Bank's share of activity was added to First International Bank's as those two banks merged on October 1, 2015.

³ The data do not include returns.

⁴ Precise data were received from Masav beginning in the final quarter of 2012.

⁵ The 2008 data is an estimate.

SOURCE: Masav and Bank of Israel.

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Table 11
Value of Transactions in Selected Payment Systems
(NIS million, cumulative annual)

	2008	2009	2010	2011	2012	2013	2014	2015	Annual Change (percent)
Zahav - payment system for large amounts									
Total transactions ¹	21,874,139	62,303,647	75,784,201	88,943,903	79,867,368	71,682,254	79,333,035	96,430,590	21.55
Domestic transactions	21,368,871	61,374,025	74,688,533	87,535,914	78,261,343	70,537,747	78,213,974	95,393,296	21.96
Transactions sent to CLS ²	252,634	464,811	547,834	703,994	803,012	572,253	559,531	518,647	-7.31
Transactions received from CLS ²	252,634	464,811	547,834	703,994	803,012	572,253	559,531	518,647	-7.31
Concentration ratio in terms of the value of transactions (%) ³	79.24	76.62	77.56	80.75	81.55	82.70	83.06	81.18	-2.27
Retail payment systems									
Masav⁴									
Total transactions	1,733,581	1,773,858	1,951,934	2,094,175	2,274,799	2,389,089	2,507,209	2,634,370	5.07
Direct credits	1,472,788	1,502,623	1,635,149	1,751,716	1,910,938	1,997,567	2,066,726	2,169,093	4.95
Direct debits	260,793	271,235	316,785	342,458	363,861	391,523	440,483	465,276	5.63
Concentration ratio in terms of the value of transactions (%) ³	78.49	79.88	80.75	81.01	80.67	82.84	83.96	84.04	0.10
Paper-based (checks) clearing house⁴									
Total transactions	803,223	765,427	834,245	852,563	863,169	908,101	915,252	959,160	4.80
Direct credits	4,999	9,027	11,693	1,204	521	789	517	496	-4.09
Direct debits	21,360	29,088	38,895	29,184	27,272	31,196	33,513	49,090	46.48
Checks	776,864	727,312	783,657	822,174	835,376	876,116	881,222	909,575	3.22
Concentration ratio in terms of the value of transactions (%) ³	84.38	84.43	84.76	84.29	83.77	83.46	83.74	84.41	0.80

¹ Transactions of customers, banks, clearing houses, and the Bank of Israel.

² The data for 2008 are for the period beginning on May 27, the date the shekel began participating in clearing through CLS.

³ Market share of the five most active institutions in the system. In 2015, the U-Bank's share of activity was added to First International Bank's as those two banks merged on October 1, 2015.

⁴ The data do not include returns.

SOURCE: Masav and Bank of Israel.

Table 12
Israeli Participants in SWIFT
 (year end)

	2008	2009	2010	2011	2012	2013	2014	2015	Annual Change (percent)
Members ¹	9	9	9	9	9	9	9	8	-11.1
Secondary members ²	5	5	6	7	7	7	7	6	-14.3
Participants ³	4	4	4	4	3	3	3	4	33.3
Total users	18	18	19	20	19	19	19	18	-5.3
Total SWIFT users ⁴	8,830	9,281	9,705	10,118	10,279	10,583	10,805	11,094	2.7
Members ¹	2,276	2,356	2,344	2,334	2,398	2,389	2,379	2,455	3.2
Secondary members ²	3,305	3,306	3,331	3,355	3,340	3,343	3,353	3,395	1.3
Participants ³	3,249	3,619	4,030	4,429	4,541	4,851	5,073	5,244	3.4

¹ Organizations with shares in the SWIFT organization.

² Organizations that are owned by the members of SWIFT.

³ Organizations that do not have shares in SWIFT, and whose activities in the SWIFT system are restricted.

⁴ Global data.

SOURCE: SWIFT.

Table 13
Transfer of SWIFT Messages From and To Local Participants¹
 (Thousands, cumulative annual)

	2008	2009	2010	2011	2012	2013	2014	2015	Annual Change (percent)
Messages sent	7,262	7,979	9,160	9,797	10,579	12,434	14,281	16,618	16.36
<i>Of which:</i>									
Category I ²	2,054	2,021	2,268	2,392	2,473	2,780	2,755	2,879	4.51
Category II ³	1,124	854	553	555	544	552	527	519	-1.37
Messages received	7,793	9,225	10,154	10,542	10,614	11,719	12,809	14,709	4.84
<i>Of which:</i>									
Category I ²	1,998	1,983	2,229	2,397	2,534	2,851	2,836	2,959	4.36
Category II ³	601	507	506	526	546	601	610	624	2.37
Domestic traffic in Israel	965	849	628	776	862	1,719	2,021	2,672	32.19
Global traffic	3,854,576	3,760,314	4,031,935	4,431,100	4,589,109	5,065,668	5,612,724	6,106,644	8.80

¹ The traffic of messages in the table includes transfers in shekels and foreign currency.

² Transmissions used by the banks to transfer money to the customer's account.

³ Transmissions used by the banks to transfer money to the account of another bank.

SOURCE: SWIFT.

Table 14
Number of Participants in the TASE
 (at year end)

	2008	2009	2010	2011	2012	2013	2014	2015
Number of participants	28	28	27	28	29	26	26	24
<i>Of which:</i>								
Domestic participants	24	23	22	22	22	19	19	17
Bank of Israel	1	1	1	1	1	1	1	1
Banks	11	11	11	11	11	11	11	10
Other	12	11	10	10	10	7	7	6
Foreign participants	4	5	5	6	7	7	7	7
Banks	2	2	2	2	3	3	3	3
Other	2	3	3	4	4	4	4	4

SOURCE: Tel Aviv Stock Exchange.

Table 15
Number of Registered Securities
 (at year end)

	2008	2009	2010	2011	2012	2013	2014	2015	Annual Change (percent)
Total number of securities designated for trading	1,880	1,885	2,003	1,947	1,848	1,915	1,907	1,898	-0.47
Bonds	720	747	710	733	685	734	718	706	-1.67
Bonds issued for a year or less ¹	11	12	15	13	12	12	12	12	0.00
Bonds issued for more than a year ²	709	735	695	720	673	722	706	694	-1.70
Stocks	632	611	603	580	539	506	473	463	-2.11
Other ³	528	527	690	634	624	675	715	729	1.96

¹ Short-term loans (*makam*).

² Government and corporate bonds.

³ ETFs and options.

SOURCE: Tel Aviv Stock Exchange.

Table 16
Market Capitalization of Listed Companies
(NIS million, at year end)

	2008	2009	2010	2011	2012	2013	2014	2015	Annual Change (percent)
Market Capitalization of Listed Companies ¹	670,200	769,700	806,140	600,102	603,902	705,659	780,343	924,085	18.42

¹ The data include dual-listed stocks issued in Israel and abroad.

SOURCE: Tel Aviv Stock Exchange.

Table 17
Number of Members of the TASE Clearing Houses
(at year end)

	2008	2009	2010	2011	2012	2013	2014	2015
Securities clearing house								
Members of the clearing house	23	22	21	21	21	19	19	18
Bank of Israel	1	1	1	1	1	1	1	1
Banking corporations	11	11	11	11	11	11	11	11
Other	11	10	9	9	9	7	7	6
Domestic members of the clearing house	21	20	19	19	19	17	17	16
Bank of Israel	1	1	1	1	1	1	1	1
Banking corporations	9	9	9	9	9	9	9	9
Other	11	10	9	9	9	7	7	6
Foreign members of the clearing house	2	2	2	2	2	2	2	2
Banking corporations	2	2	2	2	2	2	2	2
Other	0	0	0	0	0	0	0	0
Maof clearing house								
Domestic banking corporations	10	10	9	9	9	9	9	8

SOURCE: Tel Aviv Stock Exchange.

ISRAEL'S PAYMENT AND SETTLEMENT SYSTEMS, 2015

Table 18
Number of Transactions Settled in the TASE Clearing Houses
 (Thousands, cumulative annual)

	2008	2009	2010	2011	2012	2013	2014	2015	Annual Change (percent)
Number of transactions settled	109,617	94,934	106,294	122,722	86,432	80,149	84,183	90,277	7.24
Securities clearing house									
Securities transactions settled	17,114	23,879	27,506	23,734	19,252	20,074	20,130	24,222	20.33
Bonds	4,577	6,867	6,860	6,772	7,110	7,521	8,209	9,543	16.25
<i>Makam</i>	782	438	368	391	311	199	128	81	-36.89
Bonds issued for more than a year ¹	3,795	6,429	6,492	6,381	6,799	7,322	8,081	9,462	17.09
Stocks	12,537	17,012	20,646	16,970	12,152	12,553	11,921	14,679	23.14
Repo actions settled ²	na	18	4	24	0	0	0	0	-
Maof clearing house									
Derivative transactions settled	92,503	71,037	78,784	98,965	67,180	60,075	64,053	66,055	3.13

¹ Government and corporate bonds.

² Trade in repo takes place only in government bonds are issued for more than a year.

SOURCE: Tel Aviv Stock Exchange.

Table 19
Value of Transactions Settled in the TASE Clearing Houses
 (NIS million, cumulative annual)

	2008	2009	2010	2011	2012	2013	2014	2015	Annual Change (percent)
Value of transactions settled	1,609,399	1,518,955	1,672,347	1,468,447	1,276,027	1,424,088	1,449,346	1,510,730	4.24
Securities clearing house									
Value of securities transactions settled	1,492,332	1,437,644	1,586,478	1,347,185	1,198,013	1,354,331	1,373,762	1,427,931	3.94
Bonds	1,109,662	1,124,879	1,067,998	1,071,321	1,088,599	1,099,720	1,103,710	1,098,908	-0.44
<i>Makam</i>	181,054	149,879	291,143	186,796	136,657	132,941	144,704	117,731	-18.64
Bonds issued for more than a year ¹	928,608	975,000	776,855	884,525	951,942	966,779	959,006	981,177	2.31
Stocks	447,952	382,716	497,832	377,493	236,608	254,611	270,052	329,022	21.84
Value of repo actions settled ²	na	106	2,752	1,238	0	0	0	0	-
Maof clearing house									
Value of derivatives transactions settled	117,067	81,205	83,117	120,024	78,014	69,757	75,584	82,799	9.55

¹ Government and corporate bonds.

² Trade in repo takes place only in government bonds that are issued for more than a year.

SOURCE: Tel Aviv Stock Exchange.

Acronyms and abbreviations

ACH	Automated Clearing House ¹
ATM	Automated Teller Machine
BIS	Bank for International Settlements
CLS	Continuous Linked Settlement
EMV	Europay, MasterCard, and Visa
IBAN	International Bank Account Number
ICS	Intraday Credit System
POS	Point Of Sale
RTGS	Real Time Gross Settlement ²
SHVA	Hebrew acronym for: Automated Banking Services

¹ In Israel the automated clearing house is known as Masav (a Hebrew acronym for Banks Clearing Center).

² In Israel the RTGS clearing house is known as the Zahav system (a Hebrew acronym for Real Time Gross Settlement).

Glossary

Clearing house	A central location or a central processing mechanism by means of which financial institutions agree to exchange among themselves payment instructions or other financial obligations. The institutions settle the exchanged items between themselves at an agreed time.
Controlled system	A payment system subject to the authority of the Bank of Israel's oversight of payment and settlement systems, in accordance with the Payment Systems Law. The activity of a controlled system is critical to the payment system in the economy, and there is concern that irregular, inefficient or unreliable activity can negatively impact the payment system.
Credit	The ability to receive money, goods or services, and to return the money, or pay for the goods or services, at a later date.
Daily credit	Credit provided for a single business day. This credit is also known as a daily overdraft and intraday credit.
Designated controlled system	A payment system subject to the authority of the Bank of Israel's oversight of payment and settlement systems, and in which settled payments are final, in accordance with the Payment Systems Law. The activity of a designated controlled system has a significant role in monetary and financial stability in Israel, and there is concern that irregular, inefficient or unreliable activity can negatively impact monetary and financial stability and the payment system. The finality of the payments settled in it is important, as is the protection of payments against insolvency on the part of a participant.
Intraday liquidity	Liquidity ability in the course of the business day.
Liquidity	The ability of a business entity to meet current liabilities on time, often expressed as the ratio of current liabilities to current assets (cash, tradable securities, etc.).
Means of payment	Any financial instrument that enables its holder to transfer money or to pay for services and assets. The common means of payment include cash, checks, direct debits, direct credits, and payment cards.
Money laundering	Financial actions whose purpose is to conceal the source of the money, usually money from an illegal source or money on which tax has not been paid. Enforcing the "Prohibition on money laundering" returns the money to the legal system.

Net settlement	Settlement of several obligations or transfers between or within a group of counterparties on a net basis.
Security/collateral	Tangible property pledged to a bank as security for the repayment of a loan. Collateral can be highly liquid (tradable collateral), enabling it to be realized easily—such as securities traded on the stock exchange, bank deposits, debtors accounts, and other property of various kinds—or low-liquidity assets (non-tradable collateral) such as real estate. This collateral becomes the property of the lender in the event that the borrower does not comply with the conditions of the loan.
Settlement	An action that discharges the obligations between two or more parties regarding the transfer of money, securities or other financial assets.
Switch	An entity that directs the messages concerning approval and verification that merchant acquirers and issuers send between them, and that can create and distribute clearing files.