

Disclosure of costs of securities services

Introduction

1. The provisions in this Directive are meant to regulate the manner of presenting the rates of fees that were actually charged by the banking corporations to customers who conducted securities activities.

Definitions

2. In this Directive:

“**Customer**”—as referred to in Section 9i(f) of the Banking (Service to Customer) Law, 5741-1981 (hereinafter, the Banking Law);

“**Securities fees**”—one or more of the following:

Fee for the purchase, sale, or redemption of Israeli securities: as referred to in Paragraph 1 of Item 4(a) of the First Addendum to the Banking (Service to the Customer)(Fees) Rules, 5768-2008, (hereinafter, the Fees Rules);

Foreign securities fees: as referred to in Paragraph 4 of Item 4(a) of the First Addendum to the Banking Rules, and excluding options;

Securities deposit management fees: as referred to in Paragraph 5 of Item 4(a) of the First Addendum to the Banking Rules.

Presentation of comparative data

3. A banking corporation is to present the fee rates, in accordance with Addendum A, as relevant, to every customer that has been charged a securities fee, as follows:
 - a. The weighted average rate of a fee for the purchase, sale, or redemption of securities, which were actually charged to the banking corporation’s customers who hold deposits at similar values to that of the deposit held by the customer.
 - b. The weighted average rate of securities deposit management fees that were actually charged to the banking corporation’s customers who hold deposits with values similar to that of the deposit held by the customer.

4. The banking corporation is to present the customer the data noted in Section 3 of the Directive, within the framework of a notice submitted to the customer under the authority of Section 5a(c)(1) of the Banking Law (hereinafter, “the Notice”). The data to be sent to the customer will be based on data received during 6 month periods (January–June or July–December).
5. The banking corporation is to publish on its website data noted in Section 3 of the Directive, arranged in accordance with the table in Addendum A. The data to be published on the banking corporation’s website is to be based on data received during 6 month periods (January–June or July–December), and which the banking corporation will update on the site within 30 days of the end of each period.

Presentation of data on actual charges

6. Alongside the data that is to be sent to the Customer, as warranted by Sections 3 and 4 above, the banking corporation is to present in the Notice the fees for purchase, sale and redemption of securities, which the customer was charged during a six month period (January–June or July–December). The manner of presenting the details of these fees shall be in accordance with the table in Addendum B.
7. Alongside the data that is to be sent to the Customer, as warranted by Sections 3 and 4 above, the banking corporation is to present in the Notice the securities management fees that the customer was charged during a six month period (January–June or July–December). The manner of presenting the details of these fees shall be in accordance with the table in Addendum C.

Notwithstanding the above provisions in this section, if a Customer held a specific security for a period made up of various holding periods, instead of presenting the holding period as required in Addendum C, the banking corporation shall reference the information in the Notice, which explains the calculation method of the number of holding days of that security, as carried out by the banking corporation for establishing the amount of the fee that the Customer was actually charged.

Updates

Circular No. 06	Version	Details	Date
2415	1	Original circular	April 2, 2014

Addendum A (Sections 3, 4, 5)

Distribution of data on securities fees charged to individuals and small businesses^a (Weighted average rate of the fee^b)

	Purchase, Sale, Redemption^c			Management fees^c	
	Israeli securities				
Value of the deposit at period end (NIS thousand)^d	Equities and bonds	Makam (central bank bills)	Foreign securities	Israeli securities	Foreign securities
Up to 25					
More than 25, up to 50					
More than 50, up to 75					
More than 75, up to 100					
More than 100, up to 200					
More than 200, up to 400					
More than 400, up to 700					
More than 700, up to 1,000					
More than 1,000					

^a Does not include fees, if any, charged in respect of securities purchases or sales that were not concluded.

^b Data based on information for period_____.

^c Regarding a purchases, sales, or redemptions, the rate of the actual fee is to be presented; regarding management fees, the rate of the actual annual fee is to be presented.

^d Value of deposit including Israeli and foreign securities.

Addendum B (Section 6)

Detailed listing of fees for purchase, sale, or redemption of securities (Israeli and foreign) charged to your account during the months xx/xx/xx—xx/xx/xx						
Date	Security name	Activity (purchase, sale, redemption)	Quantity	Activity value (NIS)	Fee value (NIS)	Rate of fee^a

^a Rate of actual fee charged.

Addendum C (Section 7)

Detailed listing of securities (Israeli and foreign) management fees charged to your account during the months xx/xx/xx—xx/xx/xx					
Security name	Security value (NIS) used to calculate the management fees	Holding period (dates)	Number of holding days	Fee value (NIS)	Rate of fee^a

^a With regard to securities held in various holding periods, the manner of calculating the number of holding days for setting the fee amount, is as follows_____ (to be filled in by the banking corporation).

^b Rate of actual fee charged.