



May 14, 2015

Minutes of the Telbor Committee meeting held on April 28, 2015

Committee members: Zahi Elias (banks' representative), Sharon Lavi (Tel Aviv Stock Exchange) [absent], Ketty Cohen (Bank of Israel Market Operations Department), and Roy Stein (Bank of Israel Research Department – Committee Chairperson)

Other participants: Michal Rot-Levy (Bank Hapoalim), Zach Sharon (Bank Leumi), Ran Abraham (Mizrahi-Tefahot Bank), Liraz Refaely (First International Bank), and Dan Trister and Avihai Rabinovitz (Israel Discount Bank)

The issues that were discussed:

1. Roy Stein reported to participants that the code of conduct document—regarding contributor banks in the Telbor market—was submitted to the Supervisor of Banks with a request that it be adopted. The Supervisor assented to the request, and the Banking Supervision Department has begun to prepare the document ahead of its implementation, and to examine the manner of its publication.
2. Roy Stein presented the participants with the (non-final) products that the Bank of Israel's Information and Statistics Department will issue on the basis of contributor banks' quotes in the Reuters system and on the basis of Telbor transactions reported daily to the Bank of Israel. Representatives of the banks requested that the Bank of Israel provide data at a monthly frequency on transaction volume for the market as a whole and for their relative share in it (similar to data issued to banks from reports on foreign currency derivative transactions).
3. The list of contributor banks was reset according to their share of Telbor derivative transaction volume in 2014. Please see Appendix 1.
4. With the interest rate near zero, and with market assessments that changes in the rate, should there be any, in the near future will be moderate, the spread that was set for committing transactions (6 basis points, ± 3) is no longer effective. With the goal of maintaining the effectiveness of the commitment to execute transactions on the basis of Telbor quotes, it was decided to narrow the spread to 4 basis points (± 2), both for loan and deposit transactions for overnight as well as for interest rate derivative transactions. The extent of time in which the narrowed spread will apply will not be more than half a year.¹ In accordance with rules and definitions, this decision will go into effect at the beginning of June 2015 for half a year—that is, until the end of November 2015.
5. Appendix 2 presents the procedure for dealing with technical malfunctions in transmitting the Telbor interest rate, and it includes an updated list of contact persons. Please follow this updated procedure in the case of a technical malfunction.

¹ If the Committee members assess that the temporary period should be extended, the Committee needs to reconvene and reach an additional decision.

Appendix 1

The list of quoting banks that are approved by the "Telbor Interest Rate Committee"

	Bank*
1	Bank Hapoalim
2	Bank Leumi
3	Israel Discount Bank
4	Mizrachi-Tefahot Bank
5	First International Bank

* The list is in descending order of the bank's share in the volume of the Telbor derivatives during 2014.

Appendix 2

Procedure for handling technical malfunctions in transmitting Telbor interest rates

Every contributor bank is required to quote, on a constant basis, the Telbor interest rate for various terms. On Monday through Thursday, this should be done from 10:00 through 17:00, and on Friday from 10:00 through 13:00.

Each contributor bank must clarify by 10:30 the quality of the communication, and that the quotation system of the central distributor is in working order. If there is a malfunction, it should be reported to Reuters representatives no later than 11:00 in the morning.

- i. In a case of a technical malfunction between 11:00 and 11:30, and/or after 12:00: A notice regarding the malfunction is to be sent to representatives of Reuters and of the Committee. Details of contact people are listed below.
- ii. In a case of a technical malfunction between 11:30 and 12:00: One of the three Reuters representatives listed first on the list below is to be notified **by telephone. In parallel**, a notice regarding the malfunction is to be sent to all Reuters representatives, all Committee members, and all contributor bank representatives, and to note the interest rate that the bank wants to quote.

In such a case, the Telbor interest rate for that term will only be published automatically if the Reuters system successfully receives the bank's revised quote (whether through automated or through manual means). If the quote is not revised before the data sample time, the Telbor interest rate will be calculated and published late on that day, on the basis of the revised quote (that the contributor bank reported in its notice).

Contact List—for reporting a malfunction

Organization	Email address	Phone number
Reuters representatives		
Annie Peleg	annie.peleg@thomsonreuters.com	054-424-0927
Ralph	ralphh@exsys.co.il	054-429-1455
Dave	dave@exsys.co.il	054-465-0220
	ronen.gabriel@thomsonreuters.com	054-250-9142
	shaul.osezikli@thomsonreuters.com	054-424-0918
	vera.kocsis@thomsonreuters.com	
	Elissavet.Michou@thomsonreuters.com	
Telbor Committee members		
Roy Stein	roy.stein@boi.org.il	050-551-2398
Ketty Cohen	ketty.cohen@boi.org.il	050-620-2548
Zahi Elias	zahi_e@bll.co.il	054-712-5041
Sharon Lavi	sharon@tase.co.il	052-350-0011
	**** The Bank of Israel dealing room serves as a backup for BOI representatives on the Committee. The room operates on Monday–Thursday, from 8:30 until 18:00 at least, and on Fridays or holiday eves from 8:30 until 13:00.	

	The telephone numbers for the dealing room are 02-655-2300, 02-655-2353, or 02-655-2369. Please ask to speak with a liquidity desk employee or with the head of the dealing room.	
Contributor bank representatives		
Hapoalim	michal.rotlevi@mailpoalim.co.il , yossi.cuomo@mailpoalim.co.il ,	
First International	refaely.l@fibi.co.il , Moskovici.I@fibi.co.il	
Leumi	sharon.zach@bankleumi.co.il	
Discount	dan.trister@discountbank.co.il , avihai.rabinovitz@dbank.co.il	
Mizrahi-Tefahot	abrahamr@umtb.co.il	