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March 3, 2024

**Circular no. C-06-2776**

**To: The banking corporations and acquirers**

## **Re: A Banking Corporation's Activities as a Broker-Dealer**

(Proper Conduct of Banking Business Directive No. 461)

### **Introduction**

1. In accordance with the provisions of Circular no. 06-2751 regarding "A Banking Corporation's Activities as a Broker-Dealer" published on July 19, 2023, banking corporations are required to complete implementing the requirements in Proper Conduct of Banking Business Directive no. 461 (hereinafter, "the Directive") by January 19, 2025. In response to the requests of the banking system, which was encountering difficulties in complying with the implementation of the Directive by the date first set, due to a shortage of resources due to the current war situation, its duration and ramifications, it was decided that the application date would be deferred to August 1, 2025.
2. The regulation was not accompanied by the publication of a report in accordance with the Principles of Regulation Law, 5782-2021, pursuant to the exemption established in Section 34(c)(2), as this provides a limited-time relief regarding the preparation time required by the banking corporations for implementing the directive. Therefore, the direct and indirect effects that the regulation is expected to have on the entities to which it shall apply, or on other protected interests, including the cost of complying with it, are not material.
3. After consultation with the Advisory Committee on Banking Business Affairs, and with the Governor's approval, I have amended Proper Conduct of Banking Business Directive no. 461 on "A Banking Corporation's Operations as a Broker-Dealer," and have extended its validity, as follows.

### **Main amendment**

In Section 57 of the Directive, the words "within 18 months from its publication date" shall be replaced by "August 1, 2025".

### **Explanatory notes**

It was decided to extend the implementation date of the Directive in order to enable the banking system to prepare properly for the Directive's going into effect. The validity was extended against the background of a shortage of employees and resources at this time, deriving from the extended war situation and its ramifications.

**Update of file**

4. Update pages for the Proper Conduct of Banking Business Directive file are attached. Following are the provisions of the update:

**Remove page**

(7/23) [1] 461-1-18

**Insert page**

(3/24) [2] 461-1-18

Respectfully,

Daniel Hahiashvili  
Supervisor of Banks