

Banking Supervision Department

March 2, 2026

Circular-C-06-2842

Attn: The banks and payment service providers with prudential importance

Re: Adjustments to Proper Conduct of Banking Business Directives in order to deal with Operation Roaring Lion (Temporary Directive)
(Proper Conduct of Banking Business Directive No. 253)

Introduction

1. In view of Operation Roaring Lion, which began on February 28, 2026, and its ramifications on Israel's economy, and in order to assist the banking system and its customers to deal with the situation's challenges, following are several required adjustments made by the Banking Supervision Department within the framework of a temporary directive.
2. The adjustments in this Directive are intended to provide the banks and payment service providers with prudential importance the business flexibility required at this time, with the goal of providing relief for customers who have been adversely impacted. This temporary directive will be updated occasionally as needed.
3. After consulting with the Advisory Committee on Banking Business Affairs, and with the approval of the Governor, I have established the following Proper Conduct of Banking Business Directive as detailed below.
4. The regulation derives from the state of emergency and is required urgently and for a limited period of time that does not exceed 2 years. Accordingly, the Regulation was not accompanied by the publication of a report under Section 34(c)(1) of the Principles of Regulation Law, 5782-2021, ("Concern of a material adverse impact on a protected interest, which requires establishing the regulation urgently"). It appears in the annual regulation plan, according to Section 35(a) of the law, and an after the fact examination is not required according to Section 36(a)(3).

Main provisions of the Directive

5. Proper Conduct of Banking Business Directive no. 308A on "Handling of Public Complaints" (Section 3 of the Directive)

Adjustments were made in Sections 9(a)–(c) of Directive no. 308A, dealing with the manner of handling public enquiries in the banking system.

Explanatory remarks

The Directive establishes standards for comprehensive and fundamental handling of the public's complaints in routine times. In view of the situation and its impact as well on activities of the banking corporations' ombudsmen, adjustments are required in the directive in order to provide the optimal response in this situation. These adjustments will enable the ombudsman to focus especially on responding to urgent enquiries, particularly customers who have been affected by the situation and those who have encountered economic difficulties in view of the situation. For that, flexibility was given to banking corporations regarding the manner of providing a response and notices

to enquiries by customers who did not contact the bank online or that the banking corporation cannot send a response digitally.

6. Proper Conduct of Banking Business Directive no. 311A on “Consumer Credit Management” (Section 4 of the Directive)

It was established that Section 21.4 of Directive 311A shall not apply until the end of the validity period of this Temporary directive.

Explanatory remarks

Section 21.4 of Directive 311A establishes that if a customer has previously declined a similar credit offer, the bank must refrain from initiating contact with that customer for at least three months. However, due to Operation “Roaring Lion” some customers have encountered financial or liquidity difficulties, and in certain cases, the three-month period since the last consumer credit offer has not yet elapsed. As a result, the time restriction has been lifted. This change is intended to allow banking corporations to proactively reach out to customers whose financial situation has deteriorated and inform them of the possibility of taking a loan in order to assist them.

7. Proper Conduct of Banking Business Directive no. 325 on “Management of Credit Facilities in Current Accounts” (Section 5 of the Directive)

Specific thresholds have been set based on customer type, under which banking corporations are permitted to allow temporary excesses without prior written agreement on a credit facility within 1 day, provided they act to formalize the arrangement with the customer as soon as possible.

Explanatory remarks

According to Section 4(a) of the Directive, any deviation beyond the approved credit facility must be formalized in an agreement between the banking corporation and the customer within one business day.

In the current circumstances, many customers are liable to face liquidity challenges. This amendment is intended to support those facing such financial strain by allowing banking corporations to approve a temporary deviation from the credit facility for a period longer than one business day. During this extended period, the banking corporation is expected to arrange a formal agreement with the customer as soon as possible, and provided that the banking corporation shall act to regulate the said facility as noted, as soon as possible, taking into account the challenges the bank and the customers may be experiencing under the current conditions.

For the sake of clarity, this amendment does not override any existing legal provisions, including the Fair Credit Law, 1993.

8. Proper Conduct of Banking Business Directive no. 367 on “E-banking” (Section 6 of the Directive)

The following Subsection (4) shall be added to Section 29(b): “Notifications with material impact on the customer provided that it is urgent for the customer to receive the message.”

Explanatory remarks

In accordance with Section 28 of Directive 367, a banking corporation shall enter into an agreement with the customer to provide e-banking services. Due to the situation, banks and payment service providers with prudential importance have been given the option, in addition to sending notices via the way agreed upon with the customer, to send their customers via e-banking channels notices with a material impact, provided that it is urgent to receive the message for the customers, even if they are not signed up for e-banking. The provisions of the Section shall not apply in cases in which the customer explicitly requested not to receive messages via e-banking. It is also clarified that this does not derogate from the right of a customer, who has not entered into an e-banking agreement with the banking corporation, to request to stop receiving such notices, and such request should be able to be submitted in a simple and convenient manner.

9. Amendment to Directive 411 “Management of Anti-Money Laundering and Countering Financing of Terrorism Risks” (Section 7 of the Directive)

Appendix B.7 will be added to Directive 411 to allow, in exceptional cases and based on special circumstances arising from the emergency situation and the banking corporation’s risk assessment, actions to be taken in accordance with Sections 6a(a)(2) and 6a(b) of the Order. This relates to activity involving payment cards issued to individuals, up to a credit facility of NIS 100,000, including the receipt of credit—subject to documentation of the rationale and justification for such actions.

Additionally, in such cases, the provisions have been expanded to permit reliance on a copy of an identification document issued by the State of Israel—containing the individual’s name, ID number, date of birth, and photograph—when verifying the identity of an Israeli resident customer, even if it is not a standard identity card.

Explanatory remarks

With the goal of assisting banking corporations to provide a rapid response aligned with households’ needs, that are required in view of the security occurrences, to issue payment cards in order to carry out payments or receive credit—payment service providers with prudential importance were given the option to act in line with the provisions of Sections 6a(a)(2) and 6a(b) of the Order in regard to activity using a payment card issued to an individual, with a credit facility of up to NIS 100,000, including receipt of credit. This, as noted, is subject to the banking corporations’ risk assessment, documentation of the qualifications and the reasons for that. In addition, with the difficulties arising in view of the security situation—particularly for customers whose home has been damaged, as well as customers serving in the security forces, and in order to provide relief for the customers—the possibility of banking corporations were expanded in such cases, as noted above, to rely on a copy of an identification document, such as a drivers license, that is not a standard ID card, that was issued by the State of Israel, bearing a name, ID number, date of birth, and photograph, when identifying Israeli residents.

10. Proper Conduct of Banking Business Directive no. 432 on “Transferring Activity and Closing a Customer’s Account” (Section 8 of the Directive)

In Section 14 of Directive 432, “5 business days” shall be replaced by “10 business days”.

Explanatory remarks

Due to the acute labor force shortage at the banking corporations against the background of the situation, the period for handling a customer's request to close an account has been lengthened to 10 business days from the date the customer completed the activities required in line with the Directive. In our assessment, the coming period is not expected to be characterized necessarily by the closure of accounts and therefore the change noted above is not expected to adversely impact customers.

11. Proper Conduct of Banking Business Directive no. 451 on "Procedures for extending housing loans" (Sections 9–13 of the Directive)

- 11.1. Section 9 of the Directive—At the end of Section 4c(a)(4) of Directive 451, the following shall be written: "the banking corporation shall examine the possibility of extending this period with regard to approvals in principle that were valid on the day Operation "Roaring Lion" began, taking into account the conditions and the need and in accordance with its discretion".
- 11.2. Section 10 of the Directive—In Section 11(b)(2) of the Directive—"14 days" shall be replaced by "calendar month".
- 11.3. Section 11 of the Directive—In Section 15b(e) of the Directive, "3 business days" shall be replaced by "8 business days".
- 11.4. Section 12 of the Directive—In Section 15c(b) of the Directive,"5 business days" shall be replaced by "8 business days".
- 11.5. Section 13 of the Directive—In Section 19a of the Directive, "7 days" shall be replaced by "10 days".

Explanatory remarks

A requirement was added, to examine the possibility of extending the term of approvals in principle that were valid on the day the Operation began, taking into account the circumstances, the need, and in accordance with the banking corporation's discretion. In addition, in view of the labor force shortage in the banking system as a result of the situation, and in order to allow the shifting of resources in order to handle urgent cases, particularly customers who have been adversely impacted by the situation, the dates set in the Directive were extended.

12. Instruction of the Supervisor of Banks according to Section 3(a1) of the Banking (Service to the Customer) (Full disclosure and submission of documents) Rules, 5752-1992 (Section 14 of the Directive)

It was determined that a customer's signature will not be required to carry out the customer's request to defer payments, to the extent that it is in reference to a deferral under the assistance frameworks, including the assistance framework for customers in dealing with the ramifications of Operation "Roaring Lion" published on the Bank of Israel website, and provided that the customer's consent is obtained and documented. It was also determined that for a housing loan for 2 or more borrowers, in which one of the borrowers has a difficulty to sign the loan documents due to Operation "Roaring Lion", the signature of that customer on the loan documents will not be required, provided that appropriate procedures are taken to identify and receive the customer's documented consent.

Explanatory remarks

In order not to delay the implementation of the assistance framework formulated in this period and that is intended to assist banking system customers by deferring loan payments, it was established that the customer’s consent can be received in various ways in accordance with the banking corporation’s discretion. These include a phone conversation provided it is documented. In addition, in order to provide relief for borrowers who are in advanced stages of the process of receiving a housing loan, and are required in this period to sign the loan documents, but are encountering difficulties in carrying this out because there is a difficulty for one of them to arrive at the bank’s branch due to the situation, it was established that the consent of a borrower who cannot sign the loan agreement due to the situation can be received in various ways subject to the discretion of the banking corporation, after identifying the borrower and authenticating his consent, provided that the other borrowers will be required to sign on the loan documents as required in the Rules.

13. Effective date and commencement

This directive shall go into effect on the date it is published, and shall remain in effect until April 30, 2026. To the extent it will be needed, and in accordance with the situation, adjustments will be made to the Directive and its term of validity.

- 14.** It is clarified that Directive 253 does not derogate from the provisions of Directive 251, “Adjustments to Proper Conduct of Banking Business Directives in order to deal with the Swords of Iron War (Temporary Directive)”, and it remains in force in accordance with its provisions.

15. File update

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

Remove pages	Insert pages
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Respectfully,

Daniel Hahiashvili
Supervisor of Banks