



December 30, 2020

Circular Number C-06-2636

To: The banking corporations

Issue: Management of Credit Facilities in Current Accounts

(Proper Conduct of Banking Business Directive 325)

Introduction

1. In view of the experience accumulated, and following consultations with the Advisory Committee on Banking Business Affairs, and with the approval of the Governor, I have decided to update this directive as follow.

The update to the directive

2. In Section 4(a) of the Directive, at the end, shall be “In this Section, “a customer’s request to honor a specific debit”—includes via providing a payment instruction by the customer or a request for payment by authorization to debit an account that was provide by the customer.”

Explanatory remarks

There was an addition of a clarification that the activity of providing a payment instruction by a customer or a request for payment by authorization to debit an account may be viewed as a customer’s request to honor a specific debit. This amendment was made within the framework of Proper Conduct of Banking Business Directive no. 250—Adjustments to Proper Conduct of Banking Business Directives for Dealing with the Coronavirus (Temporary Provision), and it was decided to apply it to routine times as well.

Application

3. The amendment to the directive shall go into effect on the day it is published.

File update



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4. Update pages for the Proper Conduct of Banking Business Directives file are attached.
The following are the update instructions:

Remove page	Insert page
(11/14) [6] 325-1-2	(12/20) [7] 325-1-2

Sincerely,

Yair Avidan
Supervisor of Banks