



October 4, 2020

Circular no. C-06-2629

Attn:

Banking corporations and credit card companies

**Re: Management of AML/CFT Risk
(Proper Conduct of Banking Business Directive no. 411)**

Introduction

On August 15, 2010, the Supervisor of Banks published an arrangement in accordance with Section 3(c) of the Prohibition on Money Laundering (The Banking Corporations' Requirements regarding Identification, Reporting, and Record-Keeping for the Prevention of Money Laundering and the Financing of Terrorism) Order, 5761–2001 ("the Order"), as it was formulated at that time, for opening an account for asylum seekers in Israel and for temporary protection beneficiaries ("the Arrangement"). On March 6, 2011, the Arrangement was updated to include a sample of a visa issued by the offices of the Identification and Registration Unit of the Population and Immigration Authority in Lod.

Since the Arrangement was established and updated, issues related to its implementation have come up from time to time. These issues derived from, among other things, changes in the identification processes and the authorizations issued by the Population and Immigration Authority, changes that required the adjustment of the Arrangement to enable asylum seekers and beneficiaries of temporary protection to open and manage accounts in a suitable manner by presenting the authorizations they were issued to them.

In view of the above, and after consultation with the Population and Immigration Authority, the Supervisor of Banks found it proper to update the Arrangement on the matter and to add it as Appendix B.1 to Proper Conduct of Banking Business Directive 411; within the framework of the Appendix clarifications were added regarding the opening and management of the account.

Main points of the update

Appendix B.1 shall be added to Directive 411. In it will be anchored the Arrangement established by the Supervisor of Banks by power of the Supervisor's authorization under Section 7a of the Order, regarding the methods of identification, verification of details, authorizations, and alternative documents regarding the opening and managing of accounts for asylum seekers and for temporary protection beneficiaries, as detailed in the Appendix.

Application

The start date of the amendments to Directive 411 shall be the date the Circular is published on the Bank of Israel website.

Update of file

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

Remove page

(03/20) [17] 411-1-29

Insert page

(10/20) [18] 411-1-32

Respectfully,

Yair Avidan
Supervisor of Banks