

BANK OF ISRAEL

Office of the Spokesperson and Economic Information

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**Press Release**

**The Banking Supervision Department published a new Directive with the aim of increasing the ability to compare and the transparency of prices in the securities field**

The Banking Supervision Department at the Bank of Israel is today publishing the final text of a new Proper Conduct of Banking Business directive, the objective of which is to increase price transparency and the ability to compare in the field of securities.

There is a large gap in this field between the price list fee and the fee that is actually collected, which makes it difficult for the customer to compare prices. In order for the customer to make an informed decision regarding the cost of the service, and in order to encourage competitiveness, a Directive that deals with the disclosure of the cost of services in securities is being issued (Proper Conduct of Banking Business Directive 414).

The Directive requires banking corporations to provide each customer who is being charged fees in respect of the purchase, sale or redemption of Israeli and/or foreign securities, or a securities deposit management fee, with comparative information regarding the fees paid by other customers of the banking corporation who hold deposits of similar value to the deposit held by that customer.

This comparative information that will be provided to the customer will be presented as part of the semi-annual statement to the customer, alongside detailed information on the fee for the purchase, sale or redemption of securities and the securities deposit management fee, that the customer is actually being charged.

**Supervisor of Banks David Zaken notes:** “The objective of this measure, which constitutes an additional implementation of the recommendations of the Team to Examine Increasing Competitiveness in the Banking Industry, is to increase the transparency of the banking corporations toward their customers. This price transparency could also contribute to increase competition and to improving the bargaining power of customers, mainly households and small businesses, vis-à-vis the banking corporations in this area.”

The comparative information that will be provided to the customer will also be published on the banking corporation’s website, in order for the customer to be able to compare the cost of the service among various banks. The data will be presented in a uniform manner, and will be based on data obtained during a period of six months (January–June and July–December), which will be updated by the banking corporation within 30 days of the end of each period.

The Directive, which will apply to individuals and small businesses, will take effect on January 1, 2015, with the first presentation of information to the customer and publication on the website being based on data obtained during the period of July–December 2014.