



March 11, 2019

Circular no. C-06-2574

Attn:

The banking corporations and credit card companies

Re: Simplification of customer agreements
(Proper Conduct of Banking Business Directive no. 449)

Introduction

1. On July 10, 2018, a Proper Conduct of Banking Business Directive was published on the issue of simplification of customer agreements. It deals with the simplification of credit-granting agreements. The need to simplify an agreement to extend credit is even in line with Section 3(d) of the Regulating Nonbank Loans (Amendment no. 5) Law, 5777-2017 (hereinafter, “the legislative amendment”). The start date of the Directive was established in Circular 2566 of the Supervisor of Banks as May 9, 2019.
2. In view of the deferral of the entry into effect of the legislative amendment, which established, among other things, the details required of a lender to include in the loan contract, it was decided to defer the start date of the Directive for a period of time that will enable the banking corporations to prepare adequately for creating forms for disclosing the required details in accordance with the law and the Directive.
3. In view of the above, the start date of the Directive shall be the start date of the legislative amendment.

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

(7/18) [1] 449-1-7

Insert page

(3/19) [2] 449-1-7

Respectfully,

Dr. Hedva Ber
Supervisor of Banks