

BANK OF ISRAEL

Office of the Spokesperson and Economic Information

Press release

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**Allocation of an identification code to a nonbank payment service provider**

**Neema Shefa Israel Ltd.**

Participants in the Israeli financial system are identified using an identification code that is unique to each participant (currently known as a “bank code”), composed of two characters. The Bank of Israel announces the allocation of an identification code to a fintech firm that is in the process of connecting to the payments systems in Israel.

This step is consistent with the other measures advanced by the Bank of Israel to open access to nonbank participants and to advance competition in the payments market, such that fintech firms will be able to operate directly and independently in the supervised payment systems in Israel, while reducing their dependence on the banks. Together with a proper license from the relevant regulator, the identification code will enable fintech firms to be uniquely identified by other payment system participants, and will enable them to allocate payment account numbers to their customers.

The Bank of Israel has allocated identification code 21 to **Neema Shefa Israel Ltd.**

Payment and Settlement Systems Department Director Oded Salomy said: “The Bank of Israel is continuing to advance fintech firms’ access to the payment systems in Israel. We are aware of the increasing interest on the part of fintech firms to operate in the Israeli payment systems. The allocation of an identification code is a major milestone in the access process. During complex times such as those that the State of Israel is experiencing, it is important to maintain continuity in the processes of strengthening and developing the world of advanced payments, partly by bringing nonbank players into the payment systems. These new participants will contribute to increased financial stability, by advancing competition and reducing concentration in the market. They will develop advanced and innovative payment solutions, streamline business processes and services, and lower costs for consumers and merchants in Israel.”