

BANK OF ISRAEL

Office of the Spokesperson and Economic Information

Press release

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**The Bank of Israel publishes for public comments a draft update of the Banking (Service to the Customer) (Fees) Rules, 5768–2008 setting out the terms and restrictions for charging fees on payment applications**

The Banking Supervision Department today published for public comments a draft revision to the Fees Rules. The revision adds a chapter on payment applications, which is intended to detail the terms of restrictions for charging fees from customers using such applications.

The revision will allow payment service providers to charge fees, in view of the costs involved in providing those services. The change is being made alongside the entry into force of the Payment Services and Payment Initiation Law, which enables linkage between payment applications and will encourage the entry of new participants into the market depending on their business model and on their income from providing such services. It will thus be possible to continue encouraging technological innovation and the continued development of financial services for customers.

The fee will be charged only for users sending or receiving payments above NIS 25,000 annually. Initial analyses conducted by the Banking Supervision Department show that as of today, the large majority of customers do not reach this threshold, and will continue to receive the service at no cost. A banking corporation interested in revising the annual activity threshold will be able to do so only once two years have elapsed from the time these services are added to the list of permitted fees, and will require approval from the Supervisor of Banks.

The following are details of the fees and conditions added to the rules:

1. **Payment receipt and payment order execution services:** The fees for these services will be collected from customers who use payment applications to receive or make payments totaling over NIS 25,000 in a calendar year for each of the services. Such customers comprise a small portion of all customers using payment applications. As such, for the vast majority of customers, the service will remain at no cost. The activity volume has been set for a period of two years. If the banking corporation wishes to revise the threshold after this period, it must obtain approval from the Supervisor of Banks.
2. **Subscription to special services:** A fee will be enabled for special services provided to payment application customers who wish to receive them, beyond the payment transfer and receipt services. This clause was added with the aim of enabling business flexibility and the addition of new services with value to customers who choose to join them. The fee for this type of service will be enabled subject to approval from the Supervisor of Banks.

According to the draft, the services will be added to the full fee schedule, and fees for the services will be charged beginning on January 1, 2025.