



January 18, 2022

Circular no. C-06-2693

To: **Banking corporations and credit card companies**

**Re: Adjustments to Proper Conduct of Banking Business Directives for Dealing with the
Coronavirus Crisis (Temporary Provision)**
(Proper Conduct of Banking Business Directive no. 250)

Introduction

1. Due to the spread of the COVID-19 virus and in order to allow continuity in providing banking services to the public, while protecting its health and that of bank employees, it was decided not to cancel the temporary provision, but rather to update it again.
2. After consultation with the Advisory Committee on Banking Business Affairs, and with the consent of the Governor, I have amended this Directive as follows.

The amendments to the Directive

3. **Proper Conduct of Banking Business Directive 355 on “Business Continuity” (Section 12)**
12. Section 13 of Proper Conduct of Banking Business Directive no. 355 shall be followed by:
“Opening of branches in a period of real concern of an adverse impact on the public’s health
13a. Due to the spread of the COVID-19 virus and in order to allow continuity in providing banking services to the public, while protecting its health and that of banking corporation employees, a banking corporation may determine that in general all services in branches will be provided subject to arranging a slot in advance. However, the banking corporation is to enable senior citizens to arrive at the branches without setting a reservation in advance. The bank is to verify that the process of setting a reservation is efficient, simple, and quick, and that wait times for receiving services are reasonable.
The banking corporation is to publish on its website the need to arrange a slot in advance and the types of customers and cases in which service will be provided even without an advance reservation.
13b. (a) A banking corporation may establish that not all branches will be open to the public, subject to the following terms:
 - (1) The share of branches that will be open to the public shall not be less than 80 percent of the total number the banking corporation’s branches (hereinafter, “in-person branches”);
 - (2) The banking corporation shall determine the in-person branches given an appropriate geographic distribution and their ability to provide banking services to the customer public;
 - (3) The in-person branches shall provide teller services, at least, for those services that cannot be executed via the bank’s communication channels. The services will also be provided to the banking corporation’s customers whose branch is not a branch open to the public.

(4) The banking corporation shall establish work procedures that will identify and provide a response to special cases for customers who cannot receive the services via the bank's communications channels and require an in-person response;

(5) The banking corporation shall verify the allocation of appropriate resources for a telephone response within a reasonable time to customers who belong to branches that are not a branch open to the public;

(6) The banking corporation shall publish, on the door of every branch that has closed, the details of the closest branch open to the public and the telephone number of the phone hotline of the banking corporation, and will publish on the Internet and other means that it chooses, a list of branches open to the public.

(b) Notwithstanding the provisions of Subsection (a), the Supervisor of Banks may establish other directives regarding the opening of branches to the public and workhours on certain days and with regard to the services provided there, if the Supervisor finds that the branches open to the public do not provide an adequate level of service on those days.

(c) The provisions of this Section are subject to the guidelines of the proper authorities.”

Explanatory remarks

In view of the increase in morbidity and the rapid pace of infection, there is a concern of significant absences in human resources in the economy overall and in the banking system in particular. In addition, looking forward, with the assumption of a continued adverse impact on the labor force which requires a reduction in the scope of receiving customers, and in order to protect the health of the public and employees, banks may reduce the number of branches open to the public and provided that the share of such branches is not less than 80 percent of the bank's total branches. In addition, the banks may require customers to reserve a slot in advance subject to the principles set in the Directive.

The COVID-19 occurrence has not yet reached its hoped-for end, and as a direct result, the banking system continues to manage the business continuity risks deriving from the COVID-19 occurrence. Within this framework, the banks are required to continue adopting the steps required to ensure the protection of the customer public and employees.

Commencement

4. The amendments to the Directive based on this Circular shall go into effect on the publication date of this Circular.

Update of file

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

Remove page

(27/12/2021) [18] 250-1-6

Insert page

(18/01/2022) [19] 250-1-6

Respectfully,

Yair Avidan
Supervisor of Banks