



December 30, 2020

Circular Number C-06-2639

To: The banking corporations

Re: Transferring Activity and Closing a Customer's Account

(Proper Conduct of Banking Business Directive 432)

Introduction

1. Attached please find a draft update to Proper Conduct of Banking Business Directive no. 432, which includes updates required for the clarity and completeness of the Directive.
2. Following consultations with the Advisory Committee on Banking Business Affairs, and with the approval of the Governor, I have established this directive.

Proposed changes to the directive

3. Addition of Section 4(a)—section on anomalous cases

A section on anomalous cases was added, which establishes the authority of the Supervisor of Banks to establish directives that differ from the provisions detailed in the Directive, which will apply to a specific banking corporation, or to exempt, in anomalous cases, a specific banking corporation from a certain directive.

Explanatory remarks

The section was added with the goal of creating, within the framework of the Directive, a normative infrastructure that will enable the Supervisor of Banks to respond to changing needs that are liable to arise occasionally for a specific banking corporation, and under certain circumstances, it will be decided to establish in that regard provisions that differ from those detailed in the Directive, with regard to shifting activity and closing a customer's account, or to exempt a specific banking corporation from implementing a certain directive, in accordance with the anomalous circumstances that will be documented.

4. Addition of Section 3b—Definitions

The definition of the term “Customer” was added.

Explanatory remarks

On December 15, 2014, update number 7 to Directive 432 was published. As part of said update, explanatory remarks were published within the framework of Circular no. C-06-2443 (hereinafter, “the Circular”), and in Section 21 of the Circular it was established that Directive 432 shall apply on a customer as defined in Section 9i(f) of the Banking (Service to Customer) Law, 5741-1981. For reasons of clarity and orderliness, the definition was inserted in the Directive itself.

Application

- 5. The amendments to the directive shall go into effect on the day it is published.

File update

- 6. Update pages for the Proper Conduct of Banking Business Directives file are attached. The following are the update instructions:

Remove page	Insert page
(06/20) [10] 432-1-7	(12/20) [11] 432-1-7

Sincerely,

Yair Avidan
Supervisor of Banks