

BANK OF ISRAEL

Office of the Spokesperson and Economic Information

Press release

November 19, 2023

**The Bank of Israel announces the expansion of the identification codes in the financial sector, to be implemented by the end of December 2026, in order to enable more nonbank entities to operate in the payment systems**

A call for public consultation is being published today as part of the process of consulting with the economy regarding the manner of the expansion

The Bank of Israel is continuing to act to increase efficiency and competition in the payment systems. As part of this, it is encouraging and guiding nonbank entities, including domestic and international fintech companies, to operate in the core systems of the Israeli financial sector, alongside the banks, and to offer a wide variety of financial services and value offers to the Israeli public. The addition of new participants depends partly on their identification through a code, previously known as a “bank code”. As the entry of new participants to the payments field is expected, the Bank of Israel announces its intention to expand the identification code number, which is currently comprised of two characters.

* The expansion will be to a larger number of characters, which will answer the needs of participants in the payment systems in the coming years.
* The Bank of Israel intends to announce the format of the expanded identification codes in July 2024.
* The use of the expanded identification codes will begin in January 2027. As such, its assimilation into the various systems must be completed by December 2026.
* The Bank of Israel would like to obtain information based on guiding questions that are published in a call for public consultation together with this notice.

**Payment and Settlement Systems Department Director Mr. Oded Salomy**: “The decision to expand the identification codes supports a wide variety of measures that we have instituted in the payments market in order to open the Israeli payment systems to new participants. As a result of these measures, we are guiding entities through the process of joining as participants in the payment systems, while also preparing for the entry of additional bank and nonbank entities, partly through the expansion of the identification codes.”

**Information Technology Department Director Mr. Lior Georgi:** “This is a broad and significant project, which will enable additional participants to join the payment systems. This topic has been discussed for a long time, and intermediate actions have been taken to provide a temporary response, such as vacating unused identification codes. The time has now come to begin implementing a solution that will provide a full response for years to come.”

[Link to the call for public consultation](Call%20for%20public%20consultation%20on%20ID%20code%20expansion.docx)

The public is invited to respond to the call for consultation, and to direct any questions or concerns to bank.kod@boi.org.il