

BANK OF ISRAEL

Office of the Spokesperson and Economic Information

October 23, 2023

Press release:

**The Bank of Israel announces an additional outline for the customers of the credit card companies to help them deal with the ramifications of the “Swords of Iron” war**

Further to the assistance outline formulated by the Bank of Israel and adopted by the banks to ease the burden of credit and fees for customers dealing with the ramifications of the war, the Banking Supervision Department announces an additional assistance outline for customers of the credit card companies.

**Bank of Israel Governor Prof. Amir Yaron** said: “The outline being published today is another element in the set of economic tools that the Bank of Israel is advancing in order to ease the cash flow of target population groups, increase financial certainty, and help the public get through this challenging period. There are many economic issues resulting from the war and its effects, and we have our finger on the pulse and are acting in parallel in all aspects of our responsibility. I would like to thank the Banking Supervision Department for formulating the outline, and I would like to thank the credit card companies for joining it.”

**Supervisor of Banks Daniel Hahiashvili** said: “The assistance outline for customers of the credit card companies comes in addition to the assistance outline for bank customers, and is a direct continuation of the many steps we are advancing in order to make it easier for customers during this period, while adapting the assistance measures to the nature of the customers. I thank the credit card companies for joining the outline, which comes in addition to the various leniencies adopted by the companies at their own initiative since the outbreak of the war. We are constantly monitoring the data and the enquiries received as part of our constant contact with the public, and we are prepared to formulate additional measures and expand existing ones as necessary.”

The outline enables households and businesses[[1]](#footnote-1) that are located or that operate within a range of 30 km from the Gaza Strip, residents who have been evacuated from their homes by an official state agency in accordance with a list that is updated from time to time, those serving in the IDF reserves and those mobilized through emergency call-ups, and those that are first-degree relatives of those killed, abducted, or missing during the war (hereinafter – **group of first-degree customers**) to defer loan repayments[[2]](#footnote-2) for a period of three months. For this group, loan repayments will be deferred **with no interest charges and no fee charges** in accordance with the details appearing in the table below. In addition, this group will be exempt from some fees involved in activity vis-a-vis the credit card companies.[[3]](#footnote-3)

Other bank customers (hereinafter – **group of second-degree customers**), will be given the option of deferring loan repayments[[4]](#footnote-4) for three months, with the deferred payments bearing interest that shall not exceed the interest rate in the loan contract. Deferred payments will be added to the end of the loan period. The deferral will be made without fee charges. It should be emphasized that because deferrals for these customers involve interest for the deferral period, it is important that before making such a decision, the customer examine the implications of the deferral, including its economic cost (in terms of the interest cost, the amount of the monthly repayment after the deferral, and so forth), in order to make an informed decision.

To clarify, the outline that has been formulated presents **the minimum conditions** for deferring loan repayments, and each credit card company is permitted to expand upon it for the good of their customers and at their request.

For more information on the additional measures taken to benefit customers, please see the [emergency information page](https://www.boi.org.il/en/bank-of-israel/the-bank-of-israel-s-activities-during-the-swords-of-iron-war-information-and-notices-to-the-public/) on the Bank of Israel’s website.

The Banking Supervision Department continues to monitor events, and calls on the public to contact the banks or credit card companies to obtain assistance on these matters as necessary. In addition, the public can contact the Banking Supervision Department’s Consumer Enquiries and Inspection Unit at 02-655-2680 or \*9086.

**Comprehensive plan adopted by the credit card companies to help customers deal with the ramifications of the “Swords of Iron” war**

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| **First-degree customers**  **Group of customers\*:**   1. **Individuals or businesses living or operating within a range of up to 30 km from the Gaza Strip.\*\*** 2. **Population evacuated from their homes by official agencies, as of the date of the plan’s publication.\*\*** 3. **First degree relatives (spouse, parents, and children) of those killed or abducted during the war or of those missing.\*\*\*** 4. **Those serving in the reserves and those mobilized through an emergency call-up.\*\*\***   How to obtain information on which group you belong to:  \* Individuals, and small businesses with an annual settlement turnover with the credit card company of no more than NIS 2 million, who fall within one or more of the stated population groups.  \*\* According to the list of localities sent to the credit card companies by authorized entities.  \*\*\* Based on a customer declaration or presentation of appropriate documentation, in accordance with the company’s decision. With regard to small businesses, in accordance with the details published by the company. | | | | |
| **Leniencies in the credit field[[5]](#footnote-5):** | **Type of credit** | **Payment delay period** | **Maximum interest rate** | **How the payments are spread out** |
| **Cumulative consumer credit up to NIS 100,000** | Three months  (After this period, a further extension will be considered) | No interest cost in respect of the delayed amount | Adding the payments at the end of the loan period.[[6]](#footnote-6) |
| **Cumulative business credit[[7]](#footnote-7) up to NIS 300,000** |
| **Leniencies in the area of fees:[[8]](#footnote-8)** | Blanket 3-month exemption from fees in respect of transactions made by first-degree customers, other than transactions involving foreign exchange or foreign trade (as detailed in the footnote). | | | |
| **Second-degree customers**  **All other customers of the credit card companies** | | | | |
| **Leniencies in the credit field:** | **Cumulative consumer credit up to NIS 100,000** | Three months (after this period, a further extension will be considered) | Interest rate in the agreement[[9]](#footnote-9) | Payments will be added at the end of the loan period[[10]](#footnote-10) |
| **Cumulative business credit up to NIS 300,000** |
| **Fees** | Payments will be delayed without fee charges. | | |

Clarifications:

* This outline will take effect no later than October 31, 2023, in order for each credit card company to prepare properly, and will last for the period allocated in the outline from the date it actually takes effect. Insofar as the implementation of the outline requires an enquiry from the customer, requests submitted by December 31, 2023 will be accepted. If necessary, an extension of these dates will be considered.
* In order to delay payments, the customer must contact the credit card company and submit a request in the manner determined by the company. With regard to fees, insofar as it is possible to make a customer-initiated enquiry unnecessary, this should be prioritized.
* This outline does not apply to borrowers in the midst of legal proceedings or borrowers in arrears for a period of more than 2 months.
* The company may announce a freeze in all or part of the outline, except for customers regarding which the outline has been implemented at the time of the announcement. The company shall update its customers of such an announcement accordingly.
* This outline presents the minimum conditions, and each bank is permitted to expand upon it to benefit its customers and at their request.

1. Individuals, and small businesses with an annual settlement turnover at the credit card company of no more than NIS 2 million. [↑](#footnote-ref-1)
2. Cumulative consumer credit balance of up to NIS 100,000; cumulative business credit balance of up to NIS 300,000. [↑](#footnote-ref-2)
3. For more information, see the table. [↑](#footnote-ref-3)
4. Cumulative consumer credit up to NIS 100,000. Cumulative business credit up to NIS 300,000. [↑](#footnote-ref-4)
5. Referring to interest-bearing loans. [↑](#footnote-ref-5)
6. The loan repayments will be spread out subject to the technical limitations derived from how this outline is implemented. [↑](#footnote-ref-6)
7. Excluding loans in commercial cooperation with a third party. [↑](#footnote-ref-7)
8. The fees that appear in the following sections of the Banking (Service to the Customer)(Fees) Rules, 5768-2008:

   Section 2 – Information, notices, and warnings (in its entirety)

   Section 3 – Credit (in its entirety)

   Section 6 – Credit cards (in its entirety, excluding fees – (7) foreign exchange transactions, (8) foreign exchange withdrawals abroad, (9) foreign exchange purchases from a money changer). Exemption from credit card fees may be given from December 2023 (in respect of charges from November), provided that the benefit is given for an actual 3-month period. [↑](#footnote-ref-8)
9. Delaying payments involves interest for the period of the delay. Therefore, before making a decision to delay payments, it is important to examine the implications of the delay, including the economic price of the delay (in terms of the interest cost, the monthly payment following the delay, and so forth), in order to make an informed decision. [↑](#footnote-ref-9)
10. The loan repayments will be spread out subject to the technical limitations derived from how the outline is implemented. [↑](#footnote-ref-10)