

BANK OF ISRAEL

Office of the Spokesperson and Economic Information

November 1, 2023

Press release:

**Preventing the restriction of bank accounts due to the “Swords of Iron” War – Checks Without Cover Regulations**

* Regulations have been set out, according to which checks that were refused due to insufficient funds in October will not be included in the list of checks that leads to the imposition of restrictions on the account on which they are drawn. This leniency has been extended to certain population groups for November as well.
* The population that is eligible for the leniencies in November includes residents of localities that have been harmed, those serving in the reserves and their spouses, those who are missing, those who have been kidnapped or taken prisoner and their families, victims of terrorist attacks and their families, and more—all as detailed in the regulations.
* In addition, checks not included in the list will also be removed from the list of checks for which a warning is sent in respect of five checks without cover.

Due to the Swords of Iron war and the emergency situation in the country, and based on cooperation between the Ministry of Justice and the Bank of Israel, and with the approval of the Knesset’s Constitution, Law, and Justice Committee, Minister of Justice Yariv Levin set out regulations on October 26, based on his authority pursuant to the Checks Without Cover Law. The regulations state that checks that were refused in October due to insufficient cover will not be included in the list of checks that leads to the imposition of restrictions on the checking account on which they were drawn. Accordingly, these checks will also be removed from the list of checks for sending a warning in respect of five checks without cover. In addition, these leniencies will apply to eligible population groups, such as residents of localities that were attacked, those serving in the military reserves and their spouses, those who are missing, those who have been kidnapped or taken prisoner and their families, victims of terrorist attacks and their families, and more—all as detailed in the regulations—for an additional month, until the end of November.

It is important to note that the removal of these checks does not remove the obligation to make payment to the beneficiary or the other negative implications that may result from nonpayment of the check, such as the opening of collections proceedings, in view of the beneficiary’s right to act to collect the payment through the Enforcement and Collections Agency, or the effect on underwriting the customer’s credit.

The Banking Supervision Department is acting to increase awareness of the leniencies, with the aim of increasing the take-up rate among the population groups eligible for an extension until the end of November, partly through a guideline for changes in sending notices to the customer with regard to checks without cover.

**Supervisor of Banks Daniel Hahiashvili**: “I thank the Ministry of Justice for the joint work and for advancing this important measure. It is important that at this time, those victimized by the situation have the ability to avoide the imposition of significant sanctions on their accounts, together with a delay that will allow them to gradually organize their finances in accordance with the stages of their recovery from the difficult situation we are experiencing. I call upon the eligible public to make intelligent use of the leniencies provided by the regulations. Insofar as it is possible, I recommend arriving at an alternative payment schedule with the beneficiary, and acting to avoid the presentation of checks without cover in the account.”

**Deputy Attorney General (Civil Law), Adv. Carmit Yulis:** “I thank the Minister and the Chairman of the Knesset’s Constitution, Law, and Justice Committee for the rapid and decisive advancement of this process that can make it easier for the entire population, and particularly for people who have been directly victimized by the difficult security situation in our country. Special thanks to the Bank of Israel for their important cooperation in this matter. I emphasize that the objective of the regulations is to make it easier for people to deal financially with the complex situation of the war. We are constantly working to advance additional and complementary responses on the civilian front for people who need the help.”

To read the Checks Without Cover Regulations (in Hebrew);

<https://www.nevo.co.il/law_html/law01/p220k3_004.htm>