



Summary of the monetary discussions held at the Bank of Israel regarding management of the foreign exchange reserves

Issuer quotas—January 2021 update

The discussion was held on February 3, 2021.

Background:

The foreign exchange reserves are invested partially in bonds of issuers that have some linkage to governments at various guarantee levels, ranging from Explicit Guarantees to Implicit Guarantees.

These issuers are named in the financial markets SSA—Sovereign, Supranational, and Agencies—and are located in the spectrum between government bonds and corporate bonds. The Markets Department reported to the Monetary Committee on the annual update in quotas for SSAs approved by the Director of the Markets Department as per the authority delegated by the Committee.

Discussion:

Representatives of the Markets Department presented the Monetary Committee with the updated quotas.

The Markets Department recommended to present a report in writing to the Monetary Committee once per year, on the annual update of SSA-issuer quotas that are approved by the Director of the Markets Department, instead of holding a discussion on the issue.

The Monetary Committee's decision

The Monetary Committee accepted the Markets Department's recommendation, and decided that it will receive a detailed written report once per year on the annual update of SSA-issuer quotas that is approved by the Markets Department Director, instead of holding a discussion on the issue, unless the Director of the Markets Department or the Monetary Committee, decide that there is room for discussion on the issue.

The decision was accepted unanimously.

The reasoning behind the decision:

The discussion in the Monetary Committee on the issue of the annual update of SSA-issuer quotas includes a report by the Markets Department, without requiring approval by the Monetary Committee. The report can be presented in writing, and thus the discussion in the Monetary Committee is redundant.

Participants in the discussion:

Members of the Monetary Committee

Prof. Amir Yaron, Governor of the Bank of Israel, and Monetary Committee Chairperson

Mr. Andrew Abir, Deputy Governor of the Bank of Israel

Prof. Reuben Gronau

Prof. Zvi Hercowitz

Prof. Moshe Hazan

Prof. Michel Strawczynski

Other participants in the discussion:

Yossi Isler, Markets Department

Tal Biber, Head of the Markets Division in the Markets Department

Mickey Blank, Markets Department

Francoise Ben-Zur, Head of the Financial Division, Markets Department

Dr. Golan Benita, Chief of Staff to the Governor

Guenia De Mayo, Markets Department

Hanoch Danenberg, Markets Department

Oren Hadjes, Markets Department

Mark Yohai, Markets Department

Ketty Cohen, Markets Department

Arad May, Secretariat of the Monetary Committee and Supervisory Council

Yoav Soffer, Advisor to the Deputy Governor

Michal Sinai Livyatan, Legal Division

Dr. Amit Friedman, Advisor to the Director of the Market Operations Department

Tali Kemel, Markets Department

Nitzan Gad Shinnar, Markets Department