

Banking Supervision Department

Jerusalem, September 1, 2024

Circular No. C-06-2794

Attn: The Banking Corporations and Payment Service Provider with Prudential Importance License Holders

**Re: Management of Anti-Money Laundering
and Countering Financing of Terrorism Risks**

(Proper Conduct of Banking Business Directive No. 411)

Introduction

1. Beginning in August 2024, old ID cards, which do not include biometric means of identification and that do not contain an expiration date, will begin to expire.
2. In view of the operational difficulties related to their gradual expiration, and in order to provide relief to the banking system in its financial conduct vis-à-vis its customers, it was decided, in coordination with the Population and Immigration Authority, to add Appendix B.6 as a temporary provision until January 31, 2025.
3. The Regulation was not accompanied by the publication of a report under the Principles of Regulation Law, 5782-2021, (hereinafter, "the law") in view of the exemption established in Section 34(c)(2) of the law. In addition, the regulation shall not be examined periodically in view of Section 36(a)(1) of the law, as carrying out the examination requires the allocation of unreasonable resources, taking into account the cost of compliance with the regulation and the ramifications of the regulation on the regulatory burden.
4. After consulting with the Advisory Committee on Banking Business Affairs, and with the approval of the Governor, I have amended the Directive as detailed below.

Main update:

Appendix B.6—temporary provision—Arrangement established by the Supervisor of Banks under Section 7a of the Order shall be added:

"By force of my authority in accordance with Section 7a of the Order, I hereby determine that with regard to Section 3(a)(1) of the Order, a banking corporation may authenticate the identification details of a service recipient based on an ID card that does not include biometric means of identification and on which an expiration date is not printed, even if the validity date of the card has passed. This temporary provision shall be in effect through January 31, 2025."

Explanatory remarks

Section 3(a)(1) of the Prohibition on Money Laundering (The Banking Corporations' Requirements regarding Identification, Reporting, and Record-Keeping for the Prevention of Money Laundering and the Financing of Terrorism) Order, 5761-2001 (hereinafter, the Order") establishes that the recording of identification details of a service recipient must be authenticated in activities in line with Sections 2(a), 2(d)(1),

and 2(f) of the Order based on an ID card or certified copy of one, as defined in the Order.

Beginning from August 2024, ID cards that do not contain a biometric means of identification and that do not have an expiration date printed on them will begin to gradually expire. Against the background of the operational difficulties in regard to the expiration of said ID cards, and to provide relief for the banking system in its financial conduct vis-à-vis its customers, it was decided, in coordination with the Population and Immigration Authority, that regarding Section 3(a)(1) of the Order, a banking corporation may authenticate the identification details of a service recipient based on an ID card that does not contain biometric means of identification and that a validity date is not printed on it, even if the validity of the card expired, for a limited time. Therefore, Appendix B.6 as a temporary provision shall be added, and remain valid until January 31, 2025, inclusive.

Effective date

The publication date of this Circular on the Bank of Israel website.

File update

Following are the updates to the Proper Conduct of Banking Business file:

Remove pages	Insert pages
(6/24) [26] 411-1-41	(08/24) [27] 411-1-41

Respectfully,

Daniel Hahiashvili
Supervisor of Banks