



December 15, 2014

Circular Number C-06-2443

To:

The banking corporations and credit card companies

Issue: Transfer of activity and closing account of a customer
(Proper Conduct of Banking Business Directive 432)

Introduction

1. The objective of this amendment is to simplify the actions required in closing a customer's account and in transferring his activity from the old bank (hereinafter: "the bank") to his account at the new bank (hereinafter: "the new bank"), to shorten the processes involved in such actions, and to prevent excessive bother to the customer, all in order to assist the customer in exercising his choice to administer his banking activity, in whole or in part, at another bank. The amendment was made as part of the implementation of the recommendations contained in the final report of the Team to Assess How to Increase Competitiveness in the Banking System.
2. In addition, the customer's concern about the process involved in transferring activity from the account may constitute an impediment for him in taking the action. The amendment clarifies that the new bank has the ability to take the place of the customer and execute on his behalf all of the actions required to transfer the activity from his old account to his new account.
3. Following consultations with the Advisory Committee on Banking Business, and with the approval of the Governor, I have set out this directive.

Main amendments to the directive

4. Section 4 of the Directive (Sections 11(d)–(e) in the previous version) sets out that if the customer requests, and the new bank agrees, the new bank shall obtain the customer's written agreement to execute on his behalf all that is required in order to transfer the activity from his old account to his new account, with all that that entails.



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5. Section 5 of the Directive (Section 3(a) in the previous version)—additional means of communication available to the customer when making his request to obtain information in order to assess the possibility or feasibility of transferring the activity from the account to another bank, or closing the account (hereinafter: “the request to obtain information”).

Explanation

The bank shall enable the customer to submit a request to obtain information through any of the following channels: the customer’s online account on the bank’s website or electronic mail (hereinafter: “electronic means”); a phone call; the bank branch; any other means of communication as per the bank’s decision.

It is clarified that this Section is conditioned on the existence of duties imposed on the bank by law (such as Proper Conduct of Banking Business Directive number 357 and Proper Conduct of Banking Business Directive number 435).

6. Section 6 of the Directive sets out the information that the bank must provide to the customer and what actions the bank must take upon receipt of the customer’s request to obtain information, as stated in Section 5 of the Directive.

Explanation

- a. Section 6(a) of the Directive (Sections 3(a)(1)–(9) in the previous version) sets out that instead of one group of forms required in the previous version, the bank shall provide the customer with a periodic report in accordance with the adjustments detailed in Section 6(a) of the Directive, without a fee, at least once per calendar year. The objective of the report is to provide the customer with a snapshot of his banking activity, updated to the end of the month prior to the date on which the request is submitted, and through which the customer can assess the feasibility of transferring his activity in the account to another bank.
- b. Section 6(b) of the Directive (Section 3(a)(10) in the previous version) sets out that the bank must provide the customer with a guide to transferring activity and closing the account, which is intended to assist the customer in understanding the implications involved in transferring activity or closing an account, and to notify him of the actions required of him for this purpose.
- c. Section 6(c) of the Directive (Section 3(b) in the previous version), sets out that the information request by the customer must be provided within 7 business days.



- Furthermore, additional means of communication through which the bank must provide the requested information to the customer are listed.
- d. It is clarified that the provision of the information through the means of communication listed in this Section is subject to Proper Conduct of Banking Business Directive number 357.
 - e. In order to remove doubt, in a case where a customer asks to obtain the report and the guide by post, the report and the guide must leave the bank within 7 business days.
 - f. In a case where a customer submits a request to obtain information by way of electronic means, the bank is permitted to refer him to the guide to transferring activity and closing the account published on the bank's website.
7. Section 7 sets out that the bank must enable the customer to submit a request to close the account or to transfer the activity from the account, through any of the following channels: electronic means, the bank branch, a phone call to the call center (if one exists) and any other means of communication as per the bank's decision.

Explanation

This Section is intended to enable the customer to submit a request to transfer activity from the account or to close it through the means available to him, and without necessarily coming to the bank branch.

8. Section 8 of the Directive (Section 4 in the previous version) arranges the actions that the bank must take upon receipt of the customer's request to transfer activity from the account or to close it.

Explanation

- a. Subsection (a): The bank must offer the customer an agreement to provide instructions by phone and fax.
- b. Subsection (b): The bank must request instructions from the customer as to the actions it must take concerning the assets and liabilities in the account, and regarding means of payment that exist in the account.
- c. Subsection (c): The bank shall suggest to the client that the checkbooks in his possession be returned, should there be any. It is clarified that the bank is not permitted to condition the closing of the account on the customer's accession to the request. Furthermore, the bank shall provide details to the customer regarding



- the risks inherent in not returning the checkbooks (such as bounced checks due to insufficient cover when the account is closed, and restricting the customer should the conditions in the Checks Without Cover Law, 5741–1981 be met, or possible damages to the customer as a result of the misuse of the checkbooks by unauthorized persons).
- d. Subsection (d): The aim of this section is to obtain instructions from the customer as to how he prefers to receive the credit balances remaining in his account, should any remain. The bank may offer the customer various ways to receive the credit balances, such as: transferring the money to another account, crediting the customer's debit card, a bank check, or any other way as per the bank's decision.
 - e. Subsection (e): The bank shall take the required measures to make sure that the request to close the account or transfer activity from the account, and its contents, are agreed upon by all account holders.
 - f. Subsection (f): This section sets out that the act of submitting the request is not, in and of itself, a reason for cancelling benefits and discounts given to the customer as part of the administration of the account. It is clarified that the bank is not permitted to condition the granting of benefits and discounts to a customer as part of the administration of the account, on the cancellation of the customer's request to close the account or on his recanting his intention to transfer activity from it.
 - g. Subsection (g): The bank shall provide the customer with a copy of the request he submitted, including instructions he has given for the actions required to close the account or transfer the activity, soon after the date it is submitted, in cases where the customer does not have a copy or cannot print one out (meaning in cases where the request is not submitted by fax or via the bank's website, which enables the request to be printed out) in order that the customer shall have documentation that he has submitted a request to transfer activity from the account or to close it, and to prevent disputes as to the instructions he has issued.
9. Section 9 of the Directive (Section 5(a) in the previous version) sets out the actions the bank is permitted to demand that the customer take as a condition for closing the account.

Explanation

- a. It is clarified that this amendment shall not derogate from the customer's obligation to return the credit or debit card, based on Section 3 of the Debit Card



- Regulations, 5746–1986, however this shall not constitute a condition for closing the account.
- b. The bank is permitted to condition closing the account on receipt of notice from each of the account holders, which shall be provided through one of the means of communication, stating that no use will be made of checks that have not yet been withdrawn, should any remain in the possession of any of them.
 - c. In cases where there is a concern regarding the identity of the person submitting the request to close the account or to transfer activity from the account, the bank is permitted to obtain the signature of all or some of the account holders on an identification document. The bank must enable identification at any of its branches.
10. Section 10 of the Directive (Section 6(f) in the previous version) sets out that, in a case where there is a credit balance remaining in the customer's account, the bank must transfer it to the customer in accordance with the instructions it receives from him pursuant to Section 8(d) of the Directive, no later than 14 days from the date the account is closed, and without any fees.

Explanation

The objective of the amendment is to clarify that in a case where a credit balance remains in the account, the bank must act to remove it from its possession and return it to the customer, whether by way of crediting another account belonging to the customer, in accordance with the customer's instruction, or in any other way the bank shall choose, without charging a fee.

11. Section 11 of the Directive (Sections 5(b)–(c) and 7 in the previous version) defines the bank's obligations in a case where there are charges that have not yet been recorded in the account.

Explanation

The bank shall update the customer regarding the date on which the charges are expected to be attributed to the account, and regarding the total amounts, insofar as the bank has information regarding them.

It is clarified that in cases where there is a nonbank credit/debit card in the account, and where the bank does not necessarily have information as to the charges expected on it, the bank shall act to transfer the charges to the customer's new account in



accordance with the process that is set out in Directive 439 "Debits by authorization". With that, if the credit/debit card is a bank credit/debit card, the bank must update the customer regarding the balance of charges expected and the date on which the charges are expected to be attributed to the account.

12. Section 12 of the Directive (Section 10(b) in the previous version) sets out that the charges and credits presented to the bank following the closure of the account will be returned by the bank with the note "The account has been closed".

Explanation

It is clarified that this Section also relates to charges on a credit card regarding which the customer has not made arrangements as stated in Section 9 of the Directive.

13. Sections 13 and 14 define the time frame during which the bank is required to close the account or transfer the activity in it to another bank.

Explanation

The time frame required of the bank to transfer activity from the customer's account to another bank is 5 business days from the date on which the instruction is given by the customer. The time frame required of the bank to close the customer's account is 5 business days from the date on which the customer has completed the actions required of him in Section 9, and subject to that stated in Sections 11(a) and 13 of the Directive.

That stated in these sections is intended to shorten and limit the duration of the bank's handling of the customer's request to close the account or to transfer activity in it to another bank.

It is clarified that in cases where a request is submitted to transfer securities activity, the bank must fulfill the request within 5 business days from the day it was submitted, in the case of an Israeli securities portfolio, and within 14 business days from the date on which the request was submitted in the case of a foreign securities portfolio, provided that there are no legal obstacles and that there is no other delay resulting from reasons that are not within the purview of the bank.



14. Section 15 of the Directive (Section 8(a) in the previous version) sets out that on the date the account is closed, the bank shall send a notice of such to the customer in a separate document.

Explanation

In order to ascertain that the customer is aware of the end of the process, the bank must send him a separate written notice regarding the closure of the account.

15. Section 16 of the Directive (Section 8(b) in the previous version) sets out that on the date the account is closed, the account management agreement shall expire and the account shall be classified as a "closed account".

Explanation

This section is intended to clarify that the reopening of the account after it has been closed constitutes a unilateral re-establishment of the account management agreement without the customer's agreement.

16. Section 17 of the Directive (Section 10(b) in the previous version) arranges the obligation imposed on the bank to send notices to the customer regarding an account that has been closed, and defines the duration for sending notices to the customer in connection with an account that has been closed.

Explanation

The bank must send its notices to the customer in connection with his account that has been closed, should there be any, for a period of 6 months from the date the account is closed.

It is clarified that this Section shall not derogate from the bank's obligation to send notices to the customer concerning an account that has been closed, based on any law.

17. Section 18 of the Directive sets out that the annual report, in accordance with Proper Conduct of Banking Business Directive 425, "Annual Reports to the Customers of the Banking Corporations" that the bank shall send to a customer whose account has been closed shall relate to the part of the calendar year in which the customer administered his account at the bank.

Explanation



The fact that a customer has closed his account does not cancel the customer's right to receive summarizing information regarding the period in which the account was active.

18. Section 19 of the Directive (Section 6 in the previous version) defines the actions that the bank is required to take when a customer asks to transfer the activity in the account, other than assets or liabilities that have not yet reached maturity.

Explanation

The following amendments have been made in this Section:

- a. The fees noted in this Section have been brought in line with the fees detailed in Paragraph (2) and Paragraph (3) of Item 1(a), and in Paragraphs (1)–(3) of Item 1(c) of the First Addendum to the Banking (Service to the Customer)(Fees) Rules, 5768–2008.
 - b. In relation to checks, the text of the Section has been changed such that it imposes on the bank the obligation to notify the customer wishing to transfer activity from the account that, if checks that have not yet been presented may appear in the account, the customer may deposit the total amount of these checks in a deposit that will serve to pay off the checks once they are presented in the account.
 - c. The possibility of collecting the fees that were noted in the Directive from the customer, if checks are presented in the account after the activity has been transferred, has been cancelled.
 - d. The possibility of conditioning the transfer of activity from the account on the repayment of the customer's liabilities in respect of credit/debit cards, on the cancellation of authorized debits and the return of unused checks by the customer, has been cancelled.
19. Section 20 of the Directive (Section 9 in the previous version) contains adjustments to the numbering of the Sections mentioned therein. This Section defines the actions that the bank must take if it wishes to close the customer's account at its initiative.

Explanation

This Section sets out that the bank must notify the customer of the actions required of him in accordance with the Directive.



20. Section 21 of the Directive (Sections 11(a)–(c) in the previous version), arranges the function of the new bank during the transfer of the account from another bank to it, mainly regarding aspects that concern the transfer of credit card activity.

Explanation

- a. Amendment to Section 21(a) of the Directive (Section 11(a) in the previous version)—changes were made with the objective of adjusting the text to Proper Conduct of Banking Business Directive 439 "Authorized Debits".
- b. Amendment to Section 21(b)(1) of the Directive (Section 11(b)(1) in the previous version)—The requirement to obtain the customer's signature has been replaced with a requirement to obtain agreement on the part of the customer, which must be documented.
- c. Amendment to Section 21(c) of the Directive (Section 11(c) in the previous version)—The requirement to obtain the customer's signature on a form intended to transfer the customer's credits to the new account has been replaced with obtaining the customer's agreement to make this transfer.

Applicability

21. This Directive shall apply to a customer as defined in Section 9i(f) of the Banking (Service to the Customer) Law, 5741–1981

Effective date

22. This Directive will come into effect on January 1, 2015, with the exception of the following Sections:
- a. 5, 6(b), 6(c)—relating to the guide, 6(d), 7, 8, 13 and 14, which will come into effect on July 1, 2015.
 - b. 6(a), 6(c)—relating to the periodic report, and 18, which will come into effect on February 28, 2016.

File update

23. In the Appendix to Proper Conduct of Banking Business Directive 470 "Debit Cards", Section 27 is amended as follows: "The transfer of activity and closing of the customer's account (Section 21 of Directive 432)".



24. Update pages for the Proper Conduct of Banking Business Directives file are attached. The following are the update instructions:

Remove page	432-1-7 [6] (3/10)	470-1-6 [9] (7/14)
Insert page	432-1-6 [7] (12/14)	470-1-6 [10] (12/14)

Sincerely,

David Zaken
Supervisor of Banks

TRANSFERRING ACTIVITY AND CLOSING A CUSTOMER'S ACCOUNT

Introduction

1. In closing a customer's account (hereinafter, the account) or transferring activity from the account at the old bank (hereinafter, the bank) to a new bank (hereinafter, the new bank) a bank shall act in accordance with this Directive.
2. The bank must take all the necessary steps to enable a customer wishing to do so to close the account or to transfer activity from the account as soon as possible, while ensuring that the customer is not subjected to any unnecessary bother.
3. Furthermore, in order to assist the customer in improving the terms under which his account is administered and to transfer his activity to a new bank, without the concern over the process involved constituting an impediment for him, the new bank may act in the name of the customer, and conduct on his behalf all of the actions required in order to transfer the activity.

Transfer of activity in the account on behalf of the customer

4. Should a customer ask the new bank to carry out on his behalf that stated in this Directive, and should the new bank agree to do so, the new bank shall obtain the customer's written agreement to carry out on his behalf all that is required in order to transfer the activity from the bank to the new bank.

Closing an account or transferring activity at the customer's initiative

Information to the customer

5. The bank shall enable a customer requesting information about the possibility or advantages of transferring the activity from the account or closing the account (hereinafter, request to obtain information), to submit the request to obtain information by way of any of the following channels: the customer's account on the bank's website or email (hereinafter, electronic means), the bank's branch, a telephone call, and any other means of

communication in accordance with the bank's decision (hereinafter – means of communication).

6. Should a customer submit a request to obtain information, the bank shall act as follows:

(a) It shall provide the customer with the Second Addendum to Directive 425 (hereinafter, the addendum), with details updated, at the very least, to the end of the month preceding the date the request was submitted, and with the following adjustments included (hereinafter – the periodic report), all without fees at least once per calendar year:

(1) Chapter F of the Addendum—In the “Fees” table, it shall present the calendar half-year that precedes the date on which the request to obtain information was submitted.

(2) Chapter B of the Addendum—In the “Details of deposits” table, the value to early withdrawal must be presented, including the fine in respect of early withdrawal, insofar as such is possible in accordance with the agreement (in place of the comment that appears in the table in this regard).

(3) Chapter C of the Addendum—In the “Details of non-housing loans” table, all of the charge components expected in respect of early repayment must be shown with their amounts, should there be any, in accordance with the agreement (further to the balances table and in place of the comment that appears in the table in this regard).

(4) In any place in the Addendum in which a cumulative or annual figure appears, that figure shall be shown as related to the period between January 1 of that year until, at least, the end of the month preceding the date on which the request was submitted.

(b) It shall provide the customer with written information regarding the process involved in transferring activity or closing an account and its ramifications (hereinafter, the guide for transferring activity and closing an account), which includes, among other things, discussion of the following topics:

(1) Cancellation of means of payment in the account, including the implications of not returning checkbooks and debit cards;

- (2) The implications of presenting checks following the closure of the account, including in regard to the Checks Without Cover law, 5741–1981;
 - (3) The information mentioned in Section 8 and Section 9 of the Directive.
- (c) The periodic report and the guide to transferring activity and closing an account shall be provided to the customer within 7 business days from the date on which the request to obtain information is presented, through one of the following channels: the bank branch, post, or electronic means, as per the customer's request.
- (d) Notwithstanding that stated in subsection (c), should a request to obtain information be submitted via electronic means, the bank is permitted to refer the customer to the guide for transferring activity and closing an account that is published on the bank's website.

Request to transfer activity or to close an account

7. The bank shall enable a customer to submit a request to close an account or to transfer activity through any of the following channels: electronic means, the bank branch, a phone call to the call center (if one exists), and any other means of communication as per the bank's decision.
8. Should a customer request to close his account or to transfer activity from his account (hereinafter, the request), the bank shall act as follows:
 - (a) It shall offer the customer an agreement to provide instructions by way of telephone or fax, which will enable him, if necessary, to provide instructions concerning any actions required to transfer his activity or to close the account.
 - (b) It shall ask the customer to provide explicit instructions as to the actions it should take concerning assets and liabilities in the account, and pertaining to the various means of payment existing in the account.
 - (c) It shall propose to the customer that he return the checkbooks in his possession, should there be any, and it shall explain to him the implications that may result from not returning them, including the implications of presenting checks for collection from a closed account,

and exposing the customer to damages as a result of the misuse of checks by an unauthorized third party.

(d) It shall offer the customer to withdraw the credit balances remaining in the account, should there be any, and to provide him with the details of another account so that he will be able to credit it with those balances. The bank is permitted to offer additional ways to reconcile the credit balances, should any remain in the account.

(e) It shall take the measures required to ensure that the request is submitted in the name of the customer, and that its contents are agreed upon by all of the account holders.

(f) It shall not cancel benefits or discounts to which the customer was entitled as part of managing the account, on a date prior to the date set for this purpose in the agreement between it and the customer, solely due to the submission of the request.

In the absence of an agreement in which the expiry date of those benefits or discounts to the customer is set, the bank shall maintain the benefits or discounts for a period of at least 3 months from the date the request is submitted, or until the actual date the account is closed or the activity is transferred—whichever is earlier.

(g) Should a customer submit a request that includes instructions for actions that the bank must take in the account, the bank shall provide the customer with a copy of this request, soon after the date on which it is submitted, in cases where a copy of the request is not in the customer's possession or cannot be printed.

Closing an account

9. The bank may make the closing of a current account contingent upon the implementation of the following actions:

(a) Payment of all debits relating to credit and debit cards that the bank has issued to the customer, should there be any;

(b) Arrangement of third-party liabilities assumed by the bank in respect of the customer's account;

(c) Obtaining notice from each of the account holders, issued through any of the means of communication, that no use will be made of checks not yet withdrawn, should any be in the possession of any of them;

- (d) Coverage of all the customer's outstanding liabilities to the bank;
 - (e) The signature of any or all of the account holders on an identification document in cases where there is a concern regarding the identity of the person submitting the request to close the account. Identification must be enabled at any of the bank's branches.
10. Should a credit balance remain in the account after all liabilities have been repaid, the bank shall act to return the credit balance to the customer in accordance with that stated in Section 8(d) of the Directive, no later than 14 business days from the date on which the account is closed, and without any fee.
11. With regard to debits that have not yet been recorded in the account, the bank shall act as follows:
- (a) It shall update the customer regarding the date on which they are expected to be recorded in the account and their total amount, insofar as the bank has such information. The date shall be no later than the end of the month in which the customer concluded the actions listed in Section 9. However, if these have been concluded within the five business days that preceded the end of the month, the bank may record the debits up to the end of the following month.
 - (b) If the bank has not recorded the debits in the account on the designated date, this shall not constitute a reason for deferring the closing date; the contents of this Section shall not detract from the bank's right to sue the customer for the charges.
 - (c) Should the bank be presented with charges after the account is closed in respect of transactions carried out by the customer on a credit card before it was returned, and the customer has not made arrangements regarding these charges as stated in Section 8(b), the bank is permitted to collect these charges through an authorized debit if the customer agrees.
 - (d) Should the account be charged fees for transactions as a result of the execution of that stated in Section 19, the fees shall be collected through an authorized debit.

12. Without derogating from that stated in Section 11(c)–(d) above, charges and credits presented to the bank following the closure of the account shall be returned by the bank with the notice “the account has been closed”.
13. The bank shall act to transfer activity in the account, including the transfer of the Israeli securities portfolio, within 5 business days from the date the instruction is given by the customer to transfer activity from the account, and subject to that stated in Section 8(e).
A request to transfer a foreign securities portfolio shall be carried out within 14 business days from the date on which the customer gives the instruction to transfer activity from the account, and subject to that stated in Section 8(e), provided that there is no other delay deriving from reasons that are not the purview of the bank.
14. The bank shall act to close the account within 5 business days from the date on which the customer has completed the actions listed in Section 9, and subject to that stated in Sections 8(e), 11(a) and 13.
15. Upon closure of the account, notice of such shall be sent to the customer in a separate document.
16. On the date the account is closed, as stated, the account management agreement shall expire and it shall be classified as a “closed account”.
17. The bank shall send notices to the customer regarding the account that is closed, should there be any, to the last address registered in the bank's books, for a period of 6 months from the date the account is closed.
18. The annual report, in accordance with Directive 425, that the bank sends to a customer whose account is closed, shall relate to the portion of the calendar year during which the customer administered his account at the bank.

Transfer of current activity while leaving assets or liabilities in the account

19. If a customer has transferred the current activity from the account, while leaving in it assets and liabilities that have not yet reached maturity or their due dates, the bank shall cease collecting the listed in Paragraph (2) and Paragraph (3) of Item 1(a), and Paragraphs (1)–(3) of Item 1(c) of the First Addendum to the Banking (Service to the Customer) (Fees) Rules, 5768–2008, and shall act as follows:
- (a) Loans—The bank shall enable the customer to repay loans secured by sufficient collateral that is not the regular income deposited in the account, by means of an authorization to debit an account of his in a different bank.
 - (b) Deposits—When the deposit matures, the bank shall transfer the full amount of the deposit to another account, as per instructions received from the customer , as specified in section 8 above.
 - (c) Credit cards—The bank shall advise the customer of the exact amount known to it that the customer must leave in the account to repay the future debits for transactions performed with the card prior to its cancellation, excluding debits for continuing transactions.
 - (d) Checks—If a customer who wishes to close an account or to transfer current activity from it has drawn checks that have not yet been presented, the bank shall suggest to the customer that he deposit the total amount of those checks in a deposit. That deposit would be used by the bank to pay the checks when they are presented.

Closing the account at the bank's decision

20. (a) If the bank has decided to close the account it shall send a written notice to the customer. In the notice the bank shall specify the reasons for closing the account, noting that the conditions that oblige the bank to administer the account, in accordance with Section 2(a) of the Banking (Service to Customer) Law, 5741–1981, do not exist.
- (b) The bank shall inform the customer of the actions required of him in accordance with this Directive, and may demand the conclusion of the measures not less than 30 days from the date the notice is sent. Once the customer has finished arranging the above

measures, within 30 days as required, his account shall be closed on that date, and the regulations specified in Section 12, 15 and 18 shall apply.

- (c) If the customer has not acted in accordance with the bank's request within 30 days of the date on which the notice was sent, the bank may stop the customer's activities in the account. However, if the customer's activities in the account could cause financial loss to the bank, the bank may stop the customer's activities in the account from the date on which the notice as stated in subsection (a) was sent.

The new bank

21. The new bank receiving a request for the activity in an account to be transferred to an account with it shall act as follows:

- (a) Debits by authorization—

In accordance with Proper Conduct of Banking Business Directive 439 (Debits by Authorization);

- (b) Continuing credit/debit card transactions—

(1) The new issuer shall obtain the customer's agreement, through any of the following means of communication: electronic means, post, the bank branch, and any other means of communication as per the bank's decision, to transfer the customer's continuing credit/debit card transactions from the old credit/debit card to the new credit/debit card, and to transfer the information in Paragraph (2) to the old issuer and to vendors. The new issuer shall transfer the documentation of the customer's agreement to the old issuer upon its request;

(2) The issuer of the new credit/debit card shall provide the old issuer with the following details:

(a) The complete card number of the new credit/debit card issued to the customer;

(b) The expiration date of the new card;

(c) The customer's ID number;

(d) The complete card number of the customer's old credit/debit card.

(3) The old issuer shall provide all vendors with which the customer has a continuing transaction with the following details, so that they may continue to charge the customer's new credit/debit card on an uninterrupted basis:

(a) The details listed in section (b)(2) above;

(b) Notice of cancellation of the credit/debit card by the customer with the old issuer, and the issue of a new credit/debit card by the new issuer.

(4) Should it become known to the old issuer that a vendor found on the list of vendors as noted declined to act to charge the customers' new card or continues to charge his old card, the old issuer shall notify the customer of this in writing.

(5) Notwithstanding the foregoing, the new credit/debit card issuer shall not act as provided in this section, if this is explicitly requested by the customer.

(6) The provisions of this section shall also apply to the transfer of continuing credit/debit card transaction activity that is not due to the move from one bank to another.

For the purpose of this section, "**continuing transaction**" refers to a transaction between a customer and a vendor, regarding which the vendor reported to the issuer, at the time of conducting it, that payment for it will be collected via authorization to charge the credit/debit card account.

(c) The new bank shall obtain the customer's signature via a form transferring his credits to the new account.

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Updates

Date	Details	Version	Circular number
April 3, 1987	Original Circular		74/16
August 1991	Inclusion in the Proper Conduct of Banking Business Directives	1	-----
November 24, 1992	Update	2	1612
July 12, 1993	Update	3	1654
December 1995	Renewed version of the Proper Conduct of Banking Business file	4	-----
July 14, 2005	Update	5	2168
March 25, 2010	Update	6	2265
December 15, 2014	Update	7	2443

ONLY THE HEBREW VERSION IS BINDING