

**Banking Supervision Department**

Jerusalem, October 31, 2022

**Circular No. C-06-2728**

**Attn: The Banking Corporations and Credit Card Companies**

**Re: Credit Risk Management**

(Proper Conduct of Banking Business Directive No. 311)

**Introduction**

1. In view/light of the experience accumulated and the comments received from the banking corporations, and after consulting with the Advisory Committee on Banking Business Affairs, and with the approval of the Governor, I have amended the Proper Conduct of Banking Business Directive no. 311 as follows.

**Main points of the update**

Section 27c, in place of “this section shall not apply to the approval of credit to a corporation that is part of a banking group abroad, which is not required to prepare semiannual financial statements under the law that applies to it”, the following words shall be written “this section shall not apply when approving credit for a corporation that is part of a banking group abroad that is not required to publish semiannual financial statements according to the law that applies to it”.

**Explanatory remarks**

A clarification, according to which the exemption from the requirement shall also apply to a corporation that is part of a banking group abroad that is not required to publish semiannual financial statements according to the law that applies to it, but rather prepares such statements for the purpose of consolidating with the parent company.

**Commencement**

2. The amendments to this Directive shall go into effect on the day the Circular is published.
3. Following are the updates to the Proper Conduct of Banking Business file:

<b>Remove pages</b>	<b>Insert pages</b>
311-1-31 [8] (9/21)	311-1-31 [9] (10/22)

Respectfully,

Yair Avidan  
Supervisor of Banks