



December 30, 2020
TI-RW-132

To: The banking corporations and credit card companies

Attn: CEO

Re: Frequently asked questions on the implementation of Proper Conduct of Banking Business Directive no. 367 on “E-banking”

Dear Sir or Madam:

Proper Conduct of Banking Business Directive no. 367 on “E-banking” (hereinafter, “the Directive”) regulates banking corporations’ activity in providing e-banking services to their customers, and deals with, among other things, guidelines regarding the implementation of Section 7e of the Banking (Service to Customer) Law, as formulated in Section 3(3) of the Enhancing Competition and Reducing Concentration in the Banking Sector in Israel (Amendment) Law, 5777-2017.

This file concentrates certain stances regarding the implementation of the Directive. The file is not an exhaustive list of the Banking Supervision Department’s stances regarding issues that arose regarding the implementation of the Directive, or regarding other issues that may arise in their implementation.

The answers included in this file reflect the Supervisor of Banks’ stance and obligating interpretation of the Directive. In the future, we will examine the possibility of integrating some of the answers in the actual Directive itself.

This document is located on the Bank of Israel website and we update it periodically.

Sincerely,

Daniel Hashiashvili
Head of the Technology and Innovation Division

CC: Supervisor of Banks

Questions and answers		Date of update
Chapter C of the Directive: Opening an online account and signing up for e-banking services		
Section 29		
Question 1:	May a banking corporation send notices to its customers via e-banking channels offering them to join such services, even if the customer is not signed up for an e-banking agreement via the channels through which the notice was sent?	
Answer:	A banking corporation may send notices to its customers via e-banking channels offering them to join such services and guiding them how do so, even if the customer is not signed up to receive e-banking services via the channels on which the notice was sent.	Dec. 30, 2020
Section 31		
Question 1:	Can an e-banking agreement include, as a default, all the channels and services that the banking corporation offers its customers?	
Answer:	<p>A banking corporation can sign up a customer to an e-banking agreement that includes as a default the customer's agreement to receive all the channels and services offered by the banking corporation, including those that the banking corporation will offer in the future, provided that the requirements of Section 31 of the Directive, including the requirement to provide the customer with the option of choosing the channels that the customer is not interested in, are maintained within the framework of the registration in said agreement.</p> <p>However, the manner of receiving notices in accordance with their meaning in Proper Conduct of Banking Business Directive no. 420 on the issue of "Sending notices via means of communication" shall be presented in the abovementioned contract separately from the rest of the channels and services, and will be subject to the guidelines of Proper Conduct of Banking Business Directive no. 420.</p>	December 30, 2020
Chapter D of the Directive: Identification and Authentication: Section 40		
Chapter F of the Directive: E-banking controls: Section 60		
Question 1:	What means are required for identifying and authenticating a customer requesting to carry out e-banking activities that are not defined as high risk according to the banking corporation's risk assessment or the Directive?	

Answer:	Identification and authentication of a customer requesting to conduct e-banking activities, including a request to receive information and carry out activity that is not defined by the banking corporation or by the Directive as high-risk activity, shall be carried out in accordance with the bank's risk assessment. In such cases, there is no requirement to make use of one or more authentication factors as defined in the Directive in order to identify and authenticate the customer, and other identification and authentication means can suffice as long as the banking corporation's risk assessment supports it.	May 2, 2019
Chapter H1 of the Directive: Transferring information regarding the balance in a current account		
Question 1	Section 73a(3) of the Directive establishes that a banking corporation is required to enable a customer to choose the frequency of transferring information from among 4 options, which include monthly frequency. What does "monthly frequency" mean?	
Answer:	Once per month, not necessarily on the first of the month.	July 5, 2018
Question 2:	Section 73a(3) of the Directive establishes that the banking corporation is required to enable a customer to choose the frequency of transferring information out of 4 options. How should we act in a case in which the information transfer date as required by the customer falls on a day that is not considered a work day as defined in Banking (Service to Customer) (Check credit and debit date) Directives 5952-1992?	
Answer:	The information is to be transferred on the following business day.	July 5, 2018
Appendix C – File Format for transferring information on a customer's balance in a current account		
Question 1:	Appendix C of the Directive establishes the format of the file to be transferred to the financial entity. How are we to report on a customer who has several accounts managed in different currencies?	
Answer	Section 2 of Appendix C determines that: "...every line in the file shall represent the record for a specific customer for a specific account." Therefore, the reporting for a customer who has several accounts managed in various currencies shall be arranged so that each record represents an account in a certain currency. If the customer has an account with balances	July 5, 2018

	in various currencies, the balance in each currency is to be reported on a separate line.	
Question 2:	Section 1 of Appendix C establishes that the field “Currency” is to appear in the transferred file. Which value table should be used in order to report a currency code?	
Answer:	The list of foreign currency codes based on SWIFT standards (ISO international standards). Accordingly, the “Currency” field type shall be updated to alphanumeric.	July 5, 2018