

MINORS' ACCOUNTS

Introduction

1. Minors' accounts require special treatment, because of the limited legal capacity of minors, under the Capacity and Guardianship Law, 5722-1962. Consequently, this regulation contains special guidelines for dealing with minors' accounts. At the same time, this regulation shall not apply to savings accounts opened on behalf of minors, whether by a guardian or by someone who is giving a minor a gift, and in the management of which the minors are not involved.
2. Revoked.

Applicability

3. These regulations shall apply to a banking corporation and to an auxiliary corporation.

Definitions

4. **"Current account"** - An account from which money may be withdrawn on demand, by a check or other means;

"Working youngster" - A working minor who is over 15 years of age, and receives wages or salary on an ongoing basis that is transferred by his employer to a current account managed in a banking corporation.

"Minor" - A person who is not yet 18 years old.

Restrictions on opening a current account by a minor

5. (a) A banking corporation shall not open a current account for a minor who is not yet 14 years of age.
(b) A banking corporation may open a current account for a minor who is not yet 16 years of age only with the written permission of the minor's parents or guardian (henceforth, his representative) at the time the account is opened.

- (c) Despite the aforesaid in subsection (b), a banking corporation may open a current account for a working youngster without having to obtain the permission of his representative.

Overdraft in minor's accounts

6. (a) A banking corporation shall not permit a minor's account to be overdrawn unless it has received written permission for this in advance from his representative. The representative's permission shall be given on a separate form in which the representative authorizes his permission for the minor's account to be overdrawn within a pre-set limitation.
- (b) Despite the aforesaid in subsection (a), a banking corporation may allow a working youngster to be overdrawn up to the amount of his monthly salary, without requiring permission from his representative.

Checkbooks

7. A banking corporation shall not issue a checkbook to a minor who is less than 16 years old.
8. The words "minor" or "youth (up to 18)" and the phrase "withdrawals are limited to NIS 400" shall be stamped on checks issued to minors.
9. The number of checks issued to a minor each time a checkbook is ordered shall not exceed 25.

Debit card (11/00) (12/02)

10. (a) A banking corporation shall not issue a debit card to a minor who is less than 16 years old.
- (b) Despite the aforesaid in subsection (a), a banking corporation may issue a debit card that is not a credit card to a working youngster.
- (c) Despite the aforesaid in subsection (a), a banking corporation may issue to a minor who is 14 years old:
- (1) A card that enables the minor to withdraw cash only, provided the balance in his account is a credit balance.

- (2) A restricted debit card, issued with the agreement of the minor's representative and provided the Supervisor of Banks has given his authorization for the banking corporation to issue a card of this kind. This card will be valid solely for transactions in Israel, for immediate debit, only if the balance in the minor's account is a credit balance and the amount of daily transactions does not exceed NIS 400.
11. A banking corporation may only issue a credit card to a minor with the written permission of his representative given in advance on the form referring to the use of the card for the purchase of assets.
12. The words "minor" or 'youth (up to 18)' shall be stamped on a debit card issued to a minor.
13. The amount that may be withdrawn in Israel from an ATM shall not exceed NIS 400 a day.
14. If the minor has exceeded his authorized credit limit, the banking corporation shall cancel the debit card issued to him. If the debit card was issued to the minor by another issuer in coordination with the bank, the banking corporation shall inform the issuer that it must cancel the card, and the issuer shall cancel the card not later than one business day after it has been informed by the banking corporation.

Investments

15. Investing a minor's money in any investment channel in which there is a risk to the principal shall be done only with the consent of the minor's representative.

Fact sheet

16. When a current account is opened for a minor, the banking corporation shall give him a fact sheet specifying his rights and obligations with respect to the management of the account. The fact sheet shall also give full details of the fees and other charges for which the account may be debited.
17. Revoked.

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