



September 18, 2017

## **The framework of the process and the stages of bureau licensing**

### **1. Goal**

This document defines the framework and the various stages of the licensing process that will be carried out by the Supervisor in accordance with his authorizations under the Credit Data Law, 5776-2016 (hereinafter, "the Law") for granting a license for a credit data service or for a business information service (hereinafter, "License"). The goal of this is to foster transparency and for entities interested in submitting a request for licensing per the law to be able to prepare for it.

### **2. The framework of the process to receive the licenses and the required authorizations**

If the requester is interested in two types of licenses, the requester is to submit two separate requests, and the licensing process, detailed below, shall be conducted for each request separately.

The licensing process shall incorporate two main stages, as follows:

#### **2.1. Stage A: Submitting the request and approval in principle**

2.1.1. This stage shall include the submission of the request form and related documents by the license requester, followed by the examination of the request by the Supervisor. The manner of submitting the license request, the details to be included in it, and the documents to be attached to it will be detailed in the Credit Data (Licensing of Bureaus) Rules, 5777-2017. The confirmation of registration of the database and the details required for calculating the amount of the guarantee will be submitted in Stage B (see below).

2.1.2. The license requester is to appoint a contact person who shall serve as a permanent representative of the license requester, throughout the entire process of dealing with the request vis-à-vis the Supervisor, including the receipt of clarifications of material received and the transfer of supplementary materials, in accordance with the Supervisor's requirements.

*Unofficial translation - Only the Hebrew version is binding.*



- 2.1.3. To the extent necessary, during the examination process, the Supervisor shall discuss with the license requester material issues that arose in the examination or will conduct a visit to the license requester's facilities, should they exist.
- 2.1.4. At the end of this stage, a letter will be sent to the license requester with an approval in principle, given the criteria set by the Supervisor for granting a license per the Law, or a rejection of the request due to the reasons listed in law. The approval in principle shall be granted after consultation with the Director General of the Israel Antitrust Authority, in accordance with Section 13 of the Promotion of Competition and Reduction of Concentration Law, 5774-2014. The approval in principle indicates that the license requester can continue to the preparation stage, including preparation for setting up the infrastructures, subject to the standard requirements or to specific stipulations that the license requester must complete or conduct in order to receive the license, which shall be included in this approval.

## **2.2. Stage B: Actual preparation for providing the service and receiving the license**

- 2.2.1. With the receipt of the approval in principle, the license requester shall submit to the Supervisor within a month, a plan and timetable for implementing the preparation stages and the required supplements as noted in Section 2.1.4 above. Accordingly, and in accordance with the pace of progress in building the register, the Supervisor shall set a plan including examinations to check the managerial and operational preparation of the license requester, and shall notify the license requester of such in writing.
- 2.2.2. The license requester is to rectify the deficiencies and regulatory gaps that arose in the Supervisor's examinations in accordance with the timetable that will be set.
- 2.2.3. The approval in principle does not guarantee that the license requester will ultimately be granted a license. To the extent that the license requester does not meet the requirements of rectifying the deficiencies as noted in Section 2.2.2 above, and the process of preparation takes longer than reasonable or does not progress to the desired extent, the Supervisor has the right to notify the license requester of the cessation of the examination process with regard to it, after having notified the license requester that it



must improve conduct as noted. Such notices shall be sent by the Supervisor in writing.

2.2.4. With the completion of the preparations as noted above, and the meeting of the criteria set for receipt of the license to the Supervisor's satisfaction, the license shall be granted. The Supervisor may establish conditions and limitations for a license with the goal of ensuring that the Credit Bureau's activity is in accordance with the law, including requirements regarding privacy protection, information security, and protection of customers' interests, in accordance with Section 10 of the Law.

2.2.5. A bureau that receives a license will be able to operate the services according to the license it received, after notifying the Supervisor of this, but not before the effective date of the Law. A credit bureau that receives a license for credit data service is to put said service into operation within two years of the date of receiving the license. Otherwise the Supervisor is permitted by law to cancel or suspend the license.

2.2.6. A license fee, as per the Credit Data (Fees) Order, 5776-2017, shall be paid within 15 days of the date of receiving the license.

**3. Incentives to submit a request for a credit data service license before December 31, 2016:**

Entities that submitted a request for a credit data service license before December 31, 2016 were entitled to:

3.1 Priority in examining the license request as opposed to entities that submit requests at a later date.

3.2 Membership on an ad hoc committee that will be established on "The Work Model for Bureaus with the Register". Committee members will participate in the discussions and the decisions reached on the issue.