

**Memorandum of Understanding (MOU)**

**Between**

**The New York State Department of Financial Services (NYSDFS)**

**And**

**The Bank of Israel (BOI)**

**Recitals**

1. The NYSDFS regulates and supervises a variety of financial services institutions, including all New York state-chartered and state-licensed banking organizations, including banks, trust companies, savings banks, and credit unions, as well as branches, agencies, and representative offices of foreign banks, and insurance companies, including insurance agents and brokers. In addition, the NYSDFS regulates and supervises such entities as mortgage bankers, brokers, mortgage loan originators and servicers, money transmitters, licensed lenders, check cashers, budget planners, and sales finance companies.
2. Among other functions, the BOI regulates and supervises the Israeli banking system including the foreign activities of Israeli banking organizations as well as the domestic activities of foreign banks that have an Israeli presence. The BOI supervises the stability of the supervised banking organizations with a view to protecting depositors' money; ensures proper conduct of banking organizations ; and assures fair business relations between the banking organizations and their customers.
3. The NYSDFS and the BOI (the "Authorities") enter into this MOU to provide a basis for cooperation, including for the exchange of information and supervisory assistance. The NYSDFS and the BOI believe such cooperation should enable them to more effectively perform their functions.

**Definitions**

4. In this MOU, unless the context requires otherwise:
  - (a) "applicable law[s]" means any law, regulation or requirement applicable in the United States of America, New York State, and/or in the State of Israel.
  - (b) "Authority" means the NYSDFS or the BOI.
  - (c) "non-public information" means:
    - (i) the confidential supervisory information described in New York Banking Law § 36(10) and any revisions thereto;

(ii) personal information such as the name, address, or other personally identifiable information relating to any natural person, including any information so designated by the provider of the information;

(iii) any other information that is not publicly available provided by one Authority to the other under this MOU.

(d) "person" means an individual, partnership, company, corporation, association (incorporated or unincorporated), trust, estate, cooperative organization, or other entity.

(e) "provider Authority" means the Authority that provides information to the recipient Authority pursuant to this MOU.

(f) "recipient Authority" means the Authority that receives information from the provider Authority pursuant to this MOU.

(g) "requested Authority" means the Authority that receives a request for assistance from the requesting Authority pursuant to this MOU.

(h) "requesting Authority" means the Authority that requests assistance from the requested Authority pursuant to this MOU.

### **Purpose and Principles**

5. The purpose of this MOU is to establish a basis for cooperation, including the exchange of information and supervisory assistance.

6. This MOU does not modify or supersede any laws or regulatory requirements in force in, or applying to, the United States of America, New York State, or the State of Israel. This MOU sets forth a statement of intent and accordingly does not create any legally binding obligations or confer any enforceable rights under domestic or international law. This MOU does not affect any arrangements under other MOUs.

7. To the extent consistent with applicable law, the Authorities commit that any information shared pursuant to this MOU, whether or not non-public information, remain the property of the provider Authority or the property of the banking organization or other entity or person that provided such information to the provider Authority, as applicable, and be used only for the purposes of the public functions of the recipient Authority in the supervision of the stability of a relevant supervised entity.

### **Mutual Assistance**

8. In connection with the supervision of any supervised entity, the Authorities intend, subject to any applicable laws, as follows:

(a) in event that one of the Authorities (the "Home Authority") plans to inspect or examine a supervised entity in the jurisdiction of the other Authority (the "Host Authority"), it will notify the Host Authority of such inspection or examination;

(b) each Authority will inform the other Authority, to the extent reasonable, of (1) any event which has the potential to endanger the stability of any supervised entity; (2) any formal enforcement action taken on a supervised entity, if the provider Authority determines it is possibly important to the recipient Authority (3) any relevant information regarding any supervisory concerns in respect of the relevant supervised entity; and (4) any relevant conclusions and results, of any inspections or examinations conducted by it with respect to a relevant supervised entity, in its jurisdiction or conducted by the Home Authority in the Host jurisdiction as described in sub-paragraph (a) above;

9. The Authorities intend to cooperate when they identify suspected money laundering, terrorist financing, unauthorized banking business, and other criminal financial activities, and will endeavor to share information related to such activities.

10. If a request for assistance is made, each Authority may provide assistance to the other, subject to its applicable laws and the Authorities' policies. Assistance may include, without limitation:

- (a) providing non-public information or other information in the possession of the Authority;
- (b) confirming or verifying non-public information provided for that purpose by the requesting Authority; and
- (c) exchanging information on or discussing issues of mutual interest.

#### **Procedure for Requests**

11. Requests for the provision of non-public information or other assistance should be made in writing, or made orally and unless otherwise agreed, confirmed in writing within five business days. To facilitate assistance, the requesting Authority should specify in any written request:

- (a) the non-public information or other assistance requested (identity of persons, specific questions to be asked etc.);
- (b) if non-public information is provided by the requesting Authority for confirmation or verification, the information and the kind of confirmation or verification sought;
- (c) the purpose for which the information or other assistance is sought; and
- (d) any other matters specified by the requested Authority and by the applicable laws in relation to the requested Authority.

#### **Assessing Requests**

12. Each request for assistance should be assessed on a case-by-case basis by the requested Authority to determine whether to provide assistance under the terms of this MOU and subject to the provisions of the applicable laws. In any case where the request will not be fulfilled in part or

whole, the requested Authority should consider whether there may be other assistance which can be given by itself or by any other authority in its jurisdiction.

13. In deciding whether and to what extent to fulfill a request, the requested Authority may take into account any factor deemed relevant by the requested Authority.

14. The authorities recognize that assistance may be denied in whole or in part for any reason, at the discretion of the requested Authority, including in the event the requested Authority determines that the disclosure of information requested may interfere with a pending investigation or on grounds of national security.

15. The Authorities will endeavor to work together as necessary to develop any additional policies and procedures for sharing non-public information under this MOU in a manner consistent with the purpose described in this MOU.

### **Confidentiality**

16. The Authorities will treat all non-public information obtained under this MOU as confidential information belonging to, or relating to, the provider of the information, and will protect the information against unauthorized use or disclosure. A recipient Authority will not disclose any information received under this MOU without prior written approval of the provider Authority unless (1) it is impractical for the recipient Authority to obtain the provider Authority's prior written approval due to extenuating circumstances or (2) as provided for in Paragraph 20 hereof, where such disclosure is demanded by a third party, subject to the provisions of such Paragraph.

Any provision of non-public information will be subject to the recipient Authority providing the other authority with a binding undertaking, in writing, that it will not disclose to any third party the non-public information it would receive, without the written prior approval of the provider Authority, unless the circumstances set forth in paragraphs (1) or (2) above occur.

17. When a recipient Authority is in possession of non-public information under this MOU, the recipient Authority understands and agrees that each Authority will use such non-public information only for purposes authorized by law and related to the exercise of its legal authorities in the supervision of the stability of a relevant supervised entity.

18. To the extent consistent with applicable law, the Authorities will treat any non-public information shared under this MOU as the property and under the control of the provider of such information. The recipient Authority, in storing and using such information, will endeavor to maintain the identity of the source to the fullest extent possible.

19. Each Authority will establish and maintain such safeguards as are appropriate to protect the confidentiality of any non-public information provided under this MOU.

20. If there is a demand by a third party for non-public information provided under this MOU:

- (a) The recipient Authority receiving the demand will notify the provider Authority of the demand, unless such notification is not possible for reasons of urgency or is

prohibited by law. If the provider Authority does not consent to disclosure, the recipient Authority (that has received the demand) agrees to use all reasonable legal means to resist disclosure, including asserting available legal exemptions or privileges with respect to the non-public information. The recipient Authority receiving the demand agrees to give the provider Authority a reasonable opportunity to respond to the demand or request, prior to complying with the demand or request, where possible. If the provider Authority does not object to the disclosure of information subject to the demand, the provider Authority will endeavor to promptly inform the recipient Authority receiving the demand of its non-objection;

(b) The recipient Authority receiving the demand will endeavor to consent to application by the provider Authority to intervene in any related action for the purpose of asserting and preserving any claims of confidentiality with respect to the provider Authority's non-public information; and

(c) If compliance with the demand by the third party is required under applicable law, the recipient Authority receiving the demand should use its best efforts to secure an appropriate protective order, where applicable, or, if the requestor is a legislative body, a commitment of the legislative body that it will maintain the confidentiality of the information.

#### **Consultation**

21. The Authorities intend to consult when necessary with a view to improving the operation of and resolving any matters related to this MOU.

22. Where the specific conduct set out in a request for assistance may constitute a breach of applicable law in either the territory of the requesting Authority or the requested Authority, the Authorities intend to consult to determine the most appropriate means for each Authority to provide assistance.

23. The Authorities will endeavor to notify one another if they become aware of any changes in the applicable law governing guarantees of professional secrecy/confidentiality protections applying to information exchanged between the Authorities.

#### **Commencement and Discontinuation**

24. This MOU becomes operative when both Authorities have signed it and may be discontinued by either Authority; however, either Authority will endeavor to give 30 days advance written notice to the other Authority of its intent to discontinue this MOU. Following the discontinuation of this MOU, the Authorities will treat any information received under this MOU as confidential in accordance with the terms of this MOU and as provided by any applicable laws.

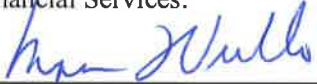
**Miscellaneous**

25. No privileges or confidentiality associated with information provided are intended to be waived as a result of sharing such information pursuant to this MOU. No provision of this MOU affects the competence or supervisory authority of the Authorities under the applicable laws.

26. This MOU may be modified by mutual written consent.

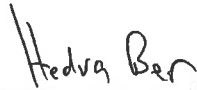
27. Annex A contains a list of designated contact officers, to which information or requests for information or assistance under this MOU should be directed. The list shall be updated as necessary.

For the New York State Department of  
Financial Services:



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Maria T. Vullo  
Superintendent of Financial Services

For the Bank of Israel:



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Hedva Ber  
Supervisor of Banks  
The Bank of Israel

Date: Feb. 22, 2018

Date: 22.2.2018

**DESIGNATED CONTACT OFFICERS**

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**The Bank of Israel**

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