



**Summary of the Monetary Committee discussion held on February 14, 2018,
regarding the management of the Foreign Exchange Reserves**

Background:

The process of reaching decisions on the management of the reserves has three levels: the Monetary Committee (chaired by the Governor), the Foreign Exchange Committee (an internal Bank of Israel committee headed by the Governor) and the Market Operations Department.

Among its other functions, the Monetary Committee establishes the hierarchy of authorities in reaching decisions among the three levels. With the establishment of the Monetary Committee, most authorities that had until then been held by the Foreign Exchange Committee were transferred to the Monetary Committee. A few authorities remained with the Foreign Exchange Committee. In order to increase the efficiency of the decision making process, the Governor—the head of the Foreign Exchange Committee—recommended to assign these authorities to the Market Operations Department and to disband the Foreign Exchange Committee.

Decision of the Monetary Committee:

The Committee approved the Governor's recommendation and the revised allocation of authorities between itself and the Market Operations Department.

Participants in the discussion:

Members of the Monetary Committee

Dr. Karnit Flug, Governor of the Bank of Israel and Chairperson of the Monetary Committee

Dr. Nadine Baudot-Trajtenberg, Deputy Governor of the Bank of Israel

Mr. Andrew Abir, Monetary Committee member

Prof. Reuben Gronau, Monetary Committee member

Prof. Moshe Hazan, Monetary Committee member

Prof. Zvi Hercowitz, Monetary Committee member

Other participants in the discussion:

Ms. Francoise Ben-Zur, Head of the Financial Division in Market Operations Department

Mr. David Hoffman, Senior Economist in the Market Operations Department

Mr. Daniel Hahiashvili, Chief of Staff to the Governor

Ms. Esti Schwartz, Secretary of the Monetary Committee and the Supervisory Council