

RETENTION OF DOCUMENTS

Introduction

1. Under the authority granted me by section 5(c1) of the Banking Ordinance, 1941, after consulting with the Advisory Committee and with the approval of the Governor, I hereby promulgate the following directive:

Applicability

2. This directive shall apply to banking corporations and corporations as specified in sections 11(a)(3a) and (3b) and 11(b)(1) of the Banking (Licensing) Law, 5741–1981, incorporated in Israel (henceforth, banking corporations).

Definitions

3. In this directive:

Document - Including the record of telephone instructions as detailed in section 4 of Directive 435 in the Proper Conduct of Banking Business, an electronic message as defined in section 1 of the Electronic Signature Law, 5761–2001, and a computerized scan as stated in section 3a of the Evidence Regulations (Photocopies), 5730–1969.

Document related to a transaction - Any document related to a transaction performed by a banking corporation in tradable securities, including instructions to be carried out and buy and sell orders, and performance of an action of a customer or of any entity in the banking corporation, including recording the transaction and anything related to it in the books of the banking corporation. All this is to enable a

complete and accurate reconstruction of the transaction to be made, starting with the instruction to be carried out, and a reconstruction of the effect of the transaction on the accounts managed by the banking corporation.

Securities -

As defined in section 52 of the Securities Law, 5728–1968, including options and forward contracts.

Retention of documents

4. (a) A banking corporation shall retain a document related to a transaction for a period of at least seven years from the time of its receipt by the banking corporation or from the time of performance of the transaction, whichever is the later.
- (b) In addition to what is stated in every law, a banking corporation shall set rules to ensure the existence of documents that it will retain, their protection against damage by man or nature, their accessibility, the ability to read them and to issue their authorized contents as necessary, throughout the period of their retention.

Commencement date

5. This directive comes into effect on 3 Nissan, 5766 (1 April, 2006).

YOAV LEHMAN
Supervisor of Banks

15 Teveth, 5766 (15 January, 2006)