Banking Supervision Department
Office of the Supervisor

August 9, 2026
8.412.21310

To:
Banking Corporations and Merchant Acquirers, Chief Accountants

Ms. Eileen Toledano – Chair of the Interface Committee of the Institute of Chartered Accountants and the Committee Members

Re: Banking corporations' reporting in accordance with the Supervisor of Banks Public Reporting Directives and Guidelines, and in accordance with US Generally Accepted Accounting Principles (US GAAP)

1. A banking corporation and merchant acquirer (hereinafter, a "banking corporation") that wants to state, in financial statements prepared in accordance with the Public Reporting Directives and guidelines of the Supervisor of Banks (hereinafter, "our Directives"), that these financial statements are also prepared in accordance with generally accepted accounting principles in the United States (US GAAP), may, inter alia:

   1.1 Discontinue the use of our transitional directive regarding exchange rate differences of available-for-sale debt securities denominated in foreign currency[1]; and
   1.2 Discontinue the use of our transitional directives regarding the accounting treatment of income taxes, including the transitional directive relating to the recognition of deferred taxes arising prior to January 1, 2017.

2. In addition, a banking corporation may change the method used to determine the discount rate for employee benefit liabilities to a discount rate based on government bonds, without a spread, in accordance with one of the measurement alternatives under US GAAP.
3. A banking corporation may implement the changes described above in financial statements approved after the date of this letter.

[1] A banking corporation that wants to discontinue the use our transitional directive in this matter may, inter alia, make a one-time redesignation of available-for-sale debt securities denominated in foreign currency to the trading portfolio or to securities measured under the fair value option. A banking corporation encountering difficulties in this matter should contact Mr. Ido Galil, Head of Financial Reporting, for guidance.

4. A banking corporation seeking to apply this letter shall contact Mr. Ido Galil, Head of Financial Reporting, for guidance.

Sincerely,

Or Sofer
Deputy Supervisor of Banks

CC:
Daniel Hahiashvili – Supervisor of Banks
Ido Galil – Head of Financial Reporting