

**Banking Supervision Department
Office of the Supervisor**

Attn:

CEOs of the banks

Jerusalem, August 16, 2022

22LM4542

Greetings,

**Re: Opening Accounts for New Immigrants and Receiving Money from Russia
through the Israeli Banking System**

1. The banking corporations are currently facing challenges related to the need to balance between two regulatory requirements imposed on them: Risks are to be managed in view of the significant exposure to violations or circumventions of international sanctions regimes, while at the same time there is the obligation to provide services to customers. Backgrounding this situation is the need to stress that the banking system plays a significant role in granting New Immigrants access to financial services, which is also part of the process in which new immigrants shift the center of their lives to Israel.
2. In my letter dated June 8, 2022, I referred to the risks of entering into agreements with entities listed on international sanctions lists and national sanctions lists of foreign countries. Paragraph 5 of said letter noted that any actions that the banking corporations take vis-a-vis their customers with the aim of implementing the directives in said letter are subject to the banking corporations' obligations toward their customers, including the obligation to take into consideration the circumstances and nature of a transaction.
3. In view of the information received by the Bank of Israel from various sources including public enquiries sent to the Bank of Israel, concerning the difficulty in transferring funds to Israel and depositing them in the banking system, I have found it warranted to emphasize that the Banking Supervision Department attributes great importance to the providing of optimal quality of service to new immigrants through the Israeli banking system.

As a result, the Banking Supervision Department expects the banking corporations:

- 3.1. To conduct themselves with extreme sensitivity to new immigrants' situation in connection with the difficulty in opening and managing bank accounts, including with transferring and depositing funds in the banking system, subject to the legal and regulatory framework, especially legal and regulatory requirements in the area of anti-money laundering and countering the financing of terrorism, and risk management.

- 3.2. Communications received by the Bank of Israel included complaints of a lack of uniformity across bank branches with respect to the procedures for conduct with new immigrants, including the time required to open an account and execute various transactions. The Banking Supervision Department expects the banks to ensure that their branches provide rapid, uniform service in catering to the needs of the new immigrants, as far as possible.
- 3.3. Will take steps to ensure that basic banking services are accessible in the Russian language on the banks' various channels. On this point we refer the banking corporations to Proper Conduct of Banking Business Directive no. 406 on providing banking services to new immigrants, which determines that employees of the banking corporations must provide as detailed an explanation as possible about the significance of the banking transaction that new immigrants request, and should hand new immigrants an informative booklet in their native language. This information should preferably also be published on the banks' websites in a manner that is accessible to the population of new immigrants.

Sincerely,



Yair Avidan

Supervisor of Banks