



Bank of Israel

Banking Supervision Department

Supervision Policy

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1. Introduction

The Banking Supervision Department has the following functions by law:

- Protecting the stability of the supervised entities in order to prevent harm to depositors' money and to the public
- Supervising the proper management of the supervised entities
- Protecting customers' interests
- Supporting the stability and orderly activity of the financial system

The supervised entities, by their very nature, and similarly to business entities in general and financial entities in particular, assume risks in the ongoing course of business. The responsibility for the proper conduct of their business, including risk management, proper conduct toward customers, and compliance with laws and rules, is imposed first and foremost on the board of directors and the senior management of the business entity.

The role of the Banking Supervision Department is to minimize excessive risk taking as far as possible, and to promote proper conduct. To do so, it uses a regulatory toolbox that includes licensing¹, regulation², supervision, and enforcement.³

This document focuses on supervisory actions.

1.1 Types of Supervisory Actions

The following supervisory actions are used to by the various organizational units of the Banking Supervision Department to perform its supervisory functions:

- Monitoring
- Inspections and reviews (examinations)
- Handling public complaints on specific and system-wide issues
- Stress tests
- Business continuity and emergency preparedness drills
- Whistleblowing
- Defining financial measurement and reporting rules
- Periodic evaluations

For additional information, see Chapter 4.

¹ Policy documents on this issue are published on the Bank of Israel website.

² See "Guidelines of the Banking Supervision Department on Implementing Regulations Principles Law, 5782-2021" on the Bank of Israel website.

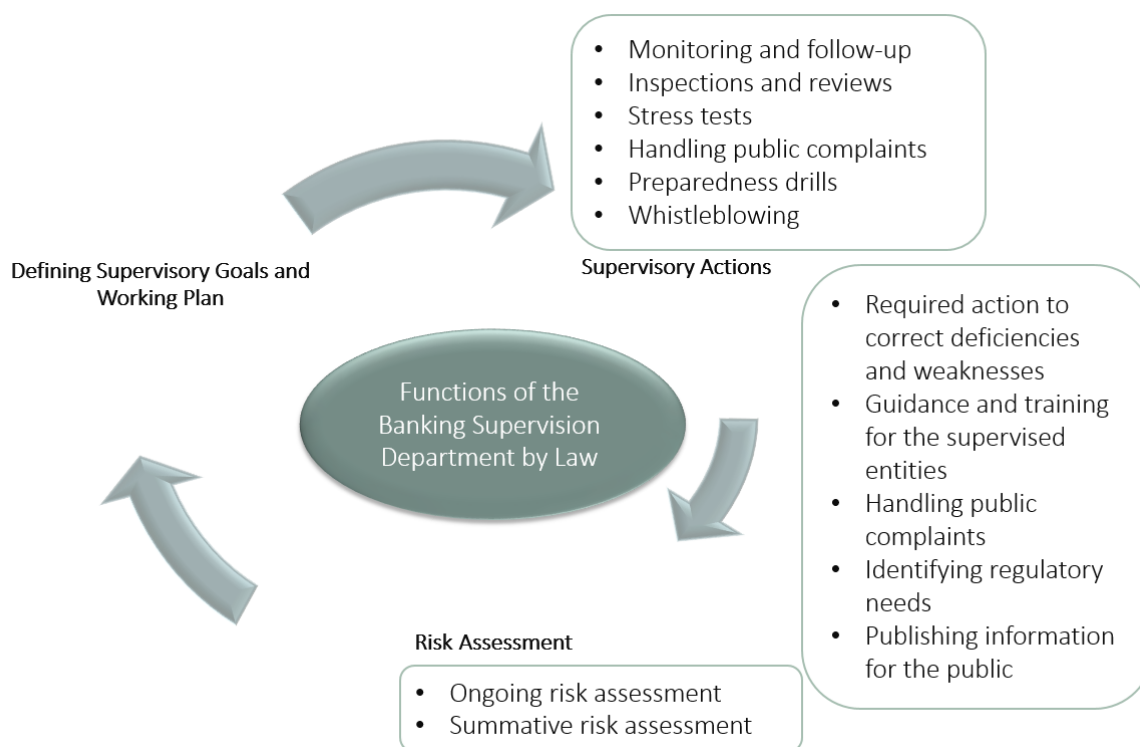
³ The document "Supervision, Correction, and Enforcement Actions Policy" is published on the Bank of Israel website.

1.2 The Products of the Supervisory Actions

- Correction of deficiencies and weaknesses in the supervised entities (corrective actions), and enforcement as needed (enforcement actions)
- Guidelines for the supervised entities
- Identifying regulatory needs⁴
- Defining future supervision goals
- Publishing information for the public

For additional information, see Chapter 5

Together, these processes comprise the supervisory cycle:



2. Legal Authority

The power to perform general supervision and inspections is defined in Section 5(a) of the Banking Ordinance. Furthermore, this section grants the Supervisor of Banks authority to demand of any employee, director, or auditor of a supervised entity to submit information and documents related to the entity's business, including information stored in a computerized system. The Banking Ordinance defines criminal sanctions for a violation of a demand to submit information and documents.

⁴ In addition to adoption of international standards and implementation of supervisory policy.

In performing supervisory actions, the employees of the Banking Supervision Department apply their professional judgment and they are subject to internal procedures designed to ensure their professional independence. The employees of the Banking Supervision Department who conduct inspections are subject to more stringent rules, compared to the rules that apply to all the employees of the Banking Supervision Department.

The Banking Supervision Department also has the authority to conduct enquiries into customers' complaints against the supervised entities and to determine whether the complaints are justified.⁵

3. Fundamental Principles Relevant for the Policy

In its work, the Banking Supervision Department implements the international best practices published by the Basel Committee and the FATF, and relevant professional standards implemented by the world's leading regulators.⁶

The Basel Committee defined core principles for effective banking supervision (hereinafter, the "core principles").⁷ These core principles constitute professional standard for regulators' work in advanced economies, and, of course, for the supervisory work of the Banking Supervision Department in Israel. The Banking Supervision Department's compliance with the core principles is audited by international bodies and the results of these audits may affect the ranking of the Israeli financial system.

4. Primary Supervisory Actions

4.1 Monitoring

The Banking Supervision Department operates according to the principle of risk-based supervision. The monitoring actions, their scope, and their frequency are determined as a function of the scope and complexity of the supervised entities' operations, and a risk assessment. To illustrate, an entity whose scope of operations is significant is subject to intense and frequent supervisory monitoring while a small entity with simple operations is subject to less frequent and less intense monitoring. Monitoring intensity and frequency are reviewed from time to time, according to changes in the entities' mix of operations and its scope.

Monitoring and follow-up are performed continuously through a combination of actions tailored to each entity, as described above. The primary actions are:

⁵ Section 16 of the Banking (Service to the Customer) Law, 5741-1981 authorizes the Supervisor of Banks to use the powers set out in the Banking Ordinance to handle public enquiries.

⁶ The Basel Committee, appointed by the governors of the central banks and composed of the heads of the supervisory authorities from major economies, determines the best international standard for the work of supervisory authorities.

⁷ BCBS - The Basel Committee on Banking Supervision, Bank for International Settlements, Core Principles for Effective Banking Supervision

- Ongoing examination of the inherent risks of the supervised entity's operations and their development, including an examination of accepted quantitative indicators and their compliance with supervisory restrictions (e.g., capital adequacy ratios, liquidity ratios, efficiency and profitability ratios, credit quality indicators, credits and deposits concentration indicators, market and interest risk indicators). To do so, the Banking Supervision Department analyzes quantitative and qualitative information that the supervised entities report to the Department, either regularly or at the Department's specific demands and directives. The Banking Supervision Department develops and promotes a proactive data strategy, and promotes steps to improve reporting procedures, leverage the information and extract the maximal value it contains, and to use advanced analytical decision-making tools to increase efficiency and effectiveness over time.
- Analysis of supervised entities' business strategy and annual work plans.
- Analysis of supervised entities' financial position on a quarterly basis.
- Study and analysis of the documentation on the material processes in the supervised entities including minutes of board meetings and meetings of several committees, policy papers, ICAAP document,⁸ quarterly risk documents, periodic summative documents prepared by the internal audit function and the credit control unit, and internal audit reports (on a sample basis).
- Regular meetings held with supervised entities' members of the board and board committees, senior management, and gatekeepers (e.g., internal auditors, risk managers, and compliance officers, cyber defense managers, business continuity managers, and ombudsmen). In addition, regular meetings are held with the entities' auditing accountants.
- Analysis of risks that materialized or events that occurred in financial or other entities, in or outside Israel—for example, materialization of financial risks, cyber incidents, data leaks, or incidents of fraud and embezzlement. The Banking Supervision Department analyzes these events and learns lessons from them in order to reduce the risk of their materialization in the supervised entities.⁹

4.2 Audits and Reviews (Examinations)

In addition to the monitoring actions described above, the Banking Supervision Department conducts various inspections and reviews of the supervised entities (hereinafter, "examinations"). The examinations are conducted at varying scope and depth, according to the circumstances and the matter

⁸ ICAAP – Internal capital adequacy and assessment process. Briefly, this is a bank's internal process to assess its capital adequacy relative to its risk level. The requirement to develop an internal capital adequacy assessment is regulated in the directives issued by the Banking Supervision and based on the Basel Committee's guidelines on capital adequacy.

⁹ To the extent that a loss event nevertheless occurs in the supervised entities, the Banking Supervision Department will, as far as necessary, examine the processes leading up to the event and will ensure that lessons are learned by the supervised entity in question and steps are taken to prevent harm to customers, where relevant.

in question. The examination tasks and the area and manner in which they are conducted are designed to achieve an optimal balance between coverage scope and examination depth.¹⁰ Also see Chapter 5.3.

The examinations are conducted by teams that specialize in various areas of risk (e.g., credit, market and liquidity, technology, cyber defense, anti-money laundering compliance, consumer protection and compliance, models, financial reporting, and corporate governance). According to the matter in question, examination tasks are performed in cooperation with other specialist teams (e.g., credit risk and financial reporting, model risks and compliance risks). The examinations are conducted to assess the various risks inherent in the entity's activities, its compliance with laws and regulations, and the functioning of its systems of management, control, and corporate governance, in order to identify existing deficiencies in these systems and rectify them.

Examinations may include varying and tailored mixes of the following activities: a review of the supervised entity's internal documents, enquiries with professional and managerial functions, data retrieval and analysis, examination of transactions or customer files, viewing information systems, listening to marketing calls, etc.

In advance of an examination, the relevant information available in the Banking Supervision Department and professional sources in and outside Israel (e.g., regulations, guidelines, and auditing guides) is reviewed. In the course of an examination, the supervised entities are required to submit information to the examination teams. The law requires supervised entities to disclose all the information requested by the Banking Supervision Department, and concurrently, in order to strike an appropriate balance, the law imposed a duty of confidentiality with respect to the information and documents related to the work of the Banking Supervision Department (see Chapter 5.4). At the conclusion of the examination, the Banking Supervision Department issues a report or summative letter including details of the findings and demands to correct deficiencies and weaknesses that were found. The Banking Supervision Department may require the supervised entity to take any of the deficiency correcting measures described in Chapter 5.1 to correct its deficiencies.

In its response to said report or letter, the supervised entity is required to submit a plan for correcting its deficiencies, including details and a timetable for the action that it will take. The entity's management and the board are responsible for executing the plan as detailed in the response.

The Banking Supervision Department monitors the process as necessary, and employs additional measures at its discretion, such as the imposition of monetary penalties for regulatory violations or repeat examinations if necessary.

The findings collected from the various examinations are included in the periodic assessment, together with other information in the possession of the Banking Supervision Department (see Chapter 5.3). In

¹⁰ In recent years, the distinction between audits and reviews has become insignificant. These terms are used here mainly because they are still accepted terminology.

addition, the examination tasks occasionally bring to light issues that call for a clarification of supervisory expectations, a revision of existing regulation (see Chapter 5.2), or a response to a specific issue through new regulation.

4.3 Public Complaints

Handling public complaints is one of the key tools available to the Banking Supervision Department for protecting the consumers of banking services and promoting fair interactions between the supervised entities and consumers.

Determinations on public complaints are based on banking laws, proper banking conduct directives, the general law court rulings, and positions emerging in the course of the work to handle public complaints.

When a complaint is determined to be justified, the Banking Supervision Department also determines the manner in which it is to be corrected, which may include monetary recovery to the customer.¹¹ These decisions are binding on the supervised entity, but do not bind the customer—if the customer is not satisfied with the Banking Supervision Department's decision, they may file a claim with the court against the supervised entity to obtain relief.¹²

A decision on a specific dispute between a supervised entity and a customer may also offer an indication of a systemic defect that affects a group of customers.¹³ In those cases, the Banking Supervision Department take steps to correct the systemic defect in the interests of the affected customer group, either by issuing directives to change the supervised entity's conduct. Some violations that are discovered in the course of public complaints handling lead to the imposition of a monetary penalty or other measures.¹⁴

The Banking Supervision Department has broad discretion in determining the priorities for handling complaints, taking into consideration all of its tasks, and placing emphasis on matters related to the appropriate conduct of the supervised entities from a systemic perspective.¹⁵ For example, priority is given to complaints that prima facie indicate material harm to a single customer or broad harm to a group of customers. In addition, the Banking Supervision Department will not provide responses to general questions of legal interpretation; rather, complaints are decided on the basis of their factual circumstances and the provisions of law. The Department will not enquire matters that require the

¹¹ See the "Supervision, Correction, and Enforcement Actions Policy" on the Bank of Israel website.

¹² Section 16(d) of the Banking (Service to the Customer) Law, 5741-1981.

¹³ On this issue, the High Court of Justice determined in High Court of Justice 5042/07 Arbel v. Bank of Israel and others (2007) that "The systemic control of the banks' conduct may be performed either by systematic audits initiated by the Supervisor or by investigating public enquiries and complaints that refer to specific events that apparently reveal a systemic defect."

¹⁴ As described in the Supervision, Correction, and Enforcement Actions Policy on the Bank of Israel website.

¹⁵ On the standards for such determination, see the decision in High Court of Justice 5048/07 Arbel v. Bank of Israel and others (2007) and High Court of Justice 10788/06 Gezundheit v. Bank of Israel (2007).

hearing of testimony or involve third parties, and as a rule will not handle complaints on matters that were discussed in the past or are under trial or being considered by a court in legal proceedings.

Before filing a complaint with the Banking Supervision Department, the complainant must exhaust the option of handling the complaint with the supervised entity itself, by filing a complaint with the entity's Ombudsman, a function that exists in all supervised entities according to the directives of the Supervisor of Banks.¹⁶

4.4 Stress Tests

The Banking Supervision Department carries out a uniform stress test once a year to examine the banks' resilience to extreme shocks in various areas and to identify their areas of vulnerability. In the stress test, the Banking Supervision Department sends the banks a scenario that describes an extreme event. The stress test is performed by the banking corporations themselves (bottom-up) and by the Banking Supervision Department (top-down); This also allows the Department to control the quality of risk management in the banks.

4.5 Business Continuity and Cyber Defense Drills

The banking corporations under the Banking Supervision Department's supervision play a key role in financial mediation and promoting the country's economic activity, including the regular delivery of banking services to the public. At the same time, these corporations are subject to a diverse range of operational threats, including war, earthquakes, cyber attacks, and labor actions, that could disrupt their business operations. The supervised entities are obligated to ensure their resilience to significant operational disruptions.¹⁷

In the area of business continuity, the Banking Supervision Department's operations focus on three themes: promoting the supervised entities' preparations for emergency situations, improving the Department's preparedness for emergency situations, and the Department's integration into national emergency situations. To this end, the Banking Supervision Department uses several supervisory tools in normal situations, including drills and various training forums.

The supervised entities participate in national and specific drills, in addition to the drills that each banking corporation performs independently, which are an integral part of each bank's business continuity plans and constitute a significant tool for assessing its plan's feasibility and effectiveness. The drills are designed to help the supervised entities improve their readiness and competency to handle emergency events that could disrupt their operations.

¹⁶ Proper Conduct of Banking Business Directive 308A on "Handling Public Complaints."

¹⁷ This issue is regulated in Proper Conduct of Banking Business Directive 355, which defines the business continuity management expected of the banking corporations. Additional supervisory principles on this issue were developed in additional circulars and letters that were distributed to the banking corporations from time to time.

The Banking Supervision Department also takes steps to increase the supervised entities' level of preparedness for coping with cyber events. Typically, cyber incidents cannot be prevented completely in view of the diverse ways in which they materialize and the inability to anticipate them; Cyber incidents also require informed decision-making in a short time under uncertainty. In view of these features, the Banking Supervision Department considers cyber drills a key tool for improving the ability of the supervised entities and the system in entirety, to withstand and recover from a cyber attack.

Alongside the requirement that each supervised entity perform cyber drills independently,¹⁸ the Banking Supervision Department proactively plans and conducts systemic cyber drills from time to time, using various scenarios, including scenarios used in international cyber drills, and involves a wide range of officers in the supervised entities in these drills (CEOs, CROs, CTOs, cybersecurity officers, and others).

The main goal of systemic drills is to outline broad directions of thought, while revealing the complex issues and dilemmas that the supervised entities may be required to address during a cyber event. Representatives of state agencies, including representatives of the National Cyber Directorate and the Ministry of Finance, also participate in these drills, as relevant.

After a systemic drill is completed, the Department draws conclusions and develops insights, both at the supervised entity level and at the level of the Banking Supervision Department, and develops plans to resolve any deficiencies that were discovered.

4.6 Whistleblowing

Another tool used by the Banking Supervision Department is the information it receives regarding suspected irregularities reported by various parties within the supervised entities, such as current or former employees or managers.

4.7 Periodic Evaluation

The Banking Supervision Department performs a supervisory review and evaluation process (SREP), which is a comprehensive, structured, integrative process based on a set methodology and based on all the information collected from its supervisory activities.¹⁹ The SREP is conducted at the banking group level (i.e., on a consolidated basis), with emphasis on the processes in the parent company. The SREP addresses the five major banking groups and the independent supervised banking corporations.

¹⁸ Directive 361 on Cyber Defense Management.

¹⁹ This process is conducted according to the rules of the Basel Committee on Banking Supervision (BCBS), and corresponds to similar processes performed by leading supervisory agencies around the world. The score cards constitute a decision-making support tool and they are reviewed from time to time and revised according to developments.

The methodology is based on score cards or risk cards.²⁰ Each card is divided into several evaluation components that facilitate a comparison across components and identification of trends within each component. See the following illustration of score cards that were used in a previous SREP:

1. Among other things, the Banking Supervision Department examines the supervised entity's exposure to changes in the CPI, foreign currency exchange rates, and interest rates, as well as the composition and scope of the nostro risk. 2. Within the operational risk, the Banking Supervision Department examines the nature of the supervised entity's business operations and its complexity, and evaluates a long list of risks, including IT risks, cyber and information security risks, business continuity risks, embezzlement and fraud risk, legal risks, outsourcing risks, and HR risks. The following risks that comprise the operational risk appear on separate score cards: technology risks, cyber risks, and consumer compliance risks. 3. The Banking Supervision Department examines the following issues, among others: technology and cyber, anti-money laundering and terror financing, cross-border banking, consumer compliance and appropriate conduct.	The risk inherent in the supervised entity's operations		Quality of risk management by the supervised entity
	Risks		
	Credit risk	√	√
	Market risk ¹	√	√
	Operational risks ²	√	√
	Compliance risks	√	√
	Strategy and business model		√
	Corporate governance function		
	BOD	√	
	Management	√	
	Risk Management	√	
	Internal Auditing	√	
	Capital adequacy		

An evaluation of the risks inherent in a supervised entity's operations is generally based on relevant quantitative measures of risk and other features. An evaluation of risk management is based on an examination and assessment of the processes that the supervised entity uses to identify, monitor, and control the risks²¹—for increased inherent risks, the Banking Supervision Department expects stronger risk management. To evaluate the entity's corporate governance function—its board of directors, management and various functions including independent risk management, compliance, and internal auditing—each function's features (e.g., independence, status, adequacy of allocated resources) and the effectiveness of its work are assessed. The level and quality of the supervised entity's capital adequacy

²⁰ The Banking Supervision Department last revised the methodology in 2017, after a comprehensive review of similar processes in leading supervisory agencies around the world, based on the publications of the Basel Committee, and taking into consideration IMF recommendations that were made after a review was conducted in 2016.

²¹ For example, the following issues are examined: risk appetite, strategy, and policy; the board's monitoring and control of risk development; the organizational framework that supports risk management (organizational structure, role definition and separation, procedures, hierarchy of powers, supporting systems, etc.); the actions taken to identify and assess risks (e.g., development and validation of models); monitoring and reporting actions; and the quality of the control environment. These processes are examined with respect to each risk, to the extent relevant, in each of the supervised entities' three lines of defense (the business factor, the independent risk management function, and internal auditing).

are evaluated in order to ensure the existence of a sufficient capital cushion to absorb unexpected losses, if necessary.

At the end of this process, a general score is calculated, which is the weighted outcome of the scores on all the score cards. The weight of each score card is determined according to the materiality of the risk and additional considerations, and the relative weights of the score cards are reconsidered from time to time and modified as necessary. The overall score is examined both before and after capital effects, as the entity's capital has a risk-reducing effect.

The main stages of the SREP are: Information is collected from all supervisory arms; An integrative analysis and preliminary evaluation is conducted based on the aforementioned methodology; The analysis is challenged and the evaluation is validated by all the arms of the Banking Supervision Department; The results are brought to the Banking Supervision Department for a decision and are then presented to the Governor of the Bank of Israel; The Banking Supervision Department holds a meeting with the board and senior management of the supervised entity to relay the main findings and the required actions for improvement or correction; The main findings and the supervisory requirements that follow from them are submitted to the supervised entity in writing.

Mapping risks at the individual supervised entity level and the systemic level is one of the main components of the work plan of the Banking Supervision Department and the allocation of resources to risk areas to ensure that the Department's work is risk based. For additional information, see Chapter 5.4.

5. The Products of the Supervisory Actions

5.1 Correcting Deficiencies and Weaknesses in the Supervised Entities

At the conclusion of the supervisory action, the supervised entities receive demands to remedy any defects or weaknesses that the Banking Supervision Department deems necessary. As a result of these demands, the entities typically improve their risk management and conduct, bolster their corporate governance, and improve their preparedness for a crisis. These improvements are achieved by several factors that include the Banking Supervision Department's early intervention on the issues where it identifies the need for such intervention. The Banking Supervision Department also has the authority to impose monetary penalties for violations in the appropriate cases. If a supervised entity refuses to fulfill the demands, or if a repeat deficiency is identified—that is to say, the requirements were not fulfilled or were inadequately fulfilled—the Department has the authority to take measures to enforce the requirements. For additional information, see Supervision, Correction, and Enforcement Actions Policy.²²

²² Supervision, Correction, and Enforcement Actions Policy.

5.2 Guidance and Training for the Supervised Entities

The Banking Supervision Department regularly provides guidance to the supervised entities on various issues, including prudent risk management, compliance with directives, and proper conduct in its relationships with its customers. Supervisory actions highlight those areas in which it is necessary to convey important messages to the supervised entities, stress or interpret regulations, and even require the adoption of certain principles. The insights developed from supervisory operations are collected and presented to the supervised entities in several ways:

- Publications—such as supervisory letters, Q&A on issues that emerge from directives, examples of treatment taken from inspection reports, reviews of supervisory actions and examinations performed in various areas.²³
- Professional discourse and messages conveyed in joint forums whose members are representatives of the Banking Supervision Department and representatives of the supervised entities, including chief internal auditors, risk managers, compliance officers, chief accountants, retail division managers, technology division managers, cyber security managers, business continuity managers, and ombudsmen.
- Conferences or other training activities on various issues on the agenda.

5.3 Identifying Future Regulatory Needs

Business and banking operations are dynamic and change constantly. Therefore, the Banking Supervision Department's supervisory operations described above are also designed to identify areas in which revisions to existing regulation or new regulation are needed.

5.4 Developing Supervisory Goals and Work Plans

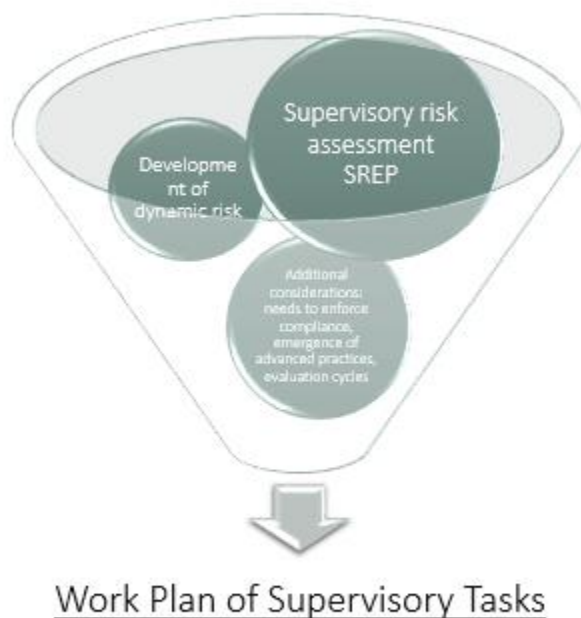
The supervisory operations in totality, including the SREP, constitute a significant anchor for defining the supervisory goals that must be achieved for the Banking Supervision Department to fulfill its legal duties. These goals create focus for and promote the supervisory operations and serve as a basis for the supervisory work plan. The annual work plan of the Banking Supervision Department is discussed every year and challenged in a broad supervisory forum, and is approved by the Supervisor of Banks.

The work plan of the Banking Supervision Department defines the supervisory tasks and their timetable.²⁴ Features such as the nature and scope of each task are determined in line with the risk profile. The selection of tasks and their inclusion in the supervisory work plan is influenced by the following considerations:

²³ On the Bank of Israel website. The need to provide guidance and clarifications has recently increased due to the adoption of the approach of the Basel Committee and other international entities, which calls for principles-based regulation, in contrast to rules-based regulation, which was the accepted approach in the Supervisor's directives in the past.

²⁴ In addition to ongoing supervisory tasks such as monitoring and follow-up, and handling public complaints.

- Assessment of the risks and how they are managed in the supervised entities
- Development of trends and risks based on current information
- Need to ensure implementation of the law or regulations
- Information received from external parties (e.g., the Money Laundering and Terror Financing Prohibition Authority, the National Cyber Directorate) and information published by leading regulators around the world²⁵
- Information from the public and its representatives: MKs, social organizations, media organizations, and social media
- Considerations of periodic coverage cycles in specific areas



The topics of the supervisory tasks and the target entities are determined after taking into consideration all the above information, in line with the principle of risk-focused supervision.

The tasks are typically performed according to the work plan. However, the work plan may change or undergo revisions in response to material developments or changing needs, based on the principle of dynamic supervision, which is one of the core principles (see Chapter 3).

²⁵ For example, FATF, OCC, FINCEN, FFIEC, EBA.

5.5 Publishing Information for the Public

The Banking Supervision Department publishes a range of information on the Bank of Israel website, which targets the general public, and reflects all the products of the supervisory operations. This information includes an annual review of the supervisory actions related to the banks; periodic reviews (annual and semi-annual) of the supervised entities; a review of the supervisory actions related to the banks on consumer-related issues; reviews of aggregate information (rather than information on individual supervised entities, due to the duty of confidentiality, see below) on a broad range of topics, based on the inspections conducted in the supervised entities;²⁶ all the existing regulatory directives, including letters and circulars; supervisory policy and methodology; and decisions on monetary penalties imposed on supervised entities by the Banking Supervision Department.

On the Bank of Israel website, the Banking Supervision Department publishes extensive information about the current activities of the supervised entities. The Department publishes comparative information on credit and deposit interest rates in the supervised entities in order to help customers make financial decisions. The Department also posts information about the branches of the banks in the banking system, their location, and the services they offer.

Section 15A of the Banking Ordinance establishes the duty of confidentiality regarding information and documents received from the supervised entities in the course of a supervisory process.²⁷ To perform its duties, the Banking Supervision Division is given access to confidential and sensitive information about the supervised entities. The duty of confidentiality applies to both the Banking Supervision Department and the supervised entities. For example, supervised entities are prohibited from revealing the Department's inspection reports. The duty of confidentiality is consistent with the core principles of effective supervision defined by the Basel Committee, which recognize "the need to protect confidential information."^{28,29} In Israel, the confidentiality principle was validated by the Supreme Court, which recognized the broad application of the duty of confidentiality and its significance for supervisory effectiveness.³⁰

²⁶ On the Bank of Israel website.

²⁷ Excluding publications on imposed penalties and lateral refunds or other lateral remedies for groups of customers.

²⁸ This is also emphasized in Principle 3 Cooperation and Collaboration of the Basel Committee's core principles;

²⁹ BIS, Report on the Impact and Accountability of Banking Supervision (2015).

³⁰ Appeal on Administrative Petition 5089/16 The Movement for Quality Government in Israel v. Bank of Israel (2018).