**Banking Supervision Department**
Jerusalem
June 30, 2024
**Circular Number C-06-2788**

Attn:
**Banking corporations and Acquirers**

**Re: Adjustments to Proper Conduct of Banking Business Directives in order to deal with the "Swords of Iron" War (Temporary Directive)**
(Proper Conduct of Banking Business Directive no. 251)

### Introduction

1. In view of the "Swords of Iron" War that began on October 7, 2023, and its ramifications on the Israeli economy, and to help the banking system and its customers cope with the situation's challenges, a Proper Conduct of Banking Business Directive was issued regarding these issues.
2. The adjustments in this Directive are meant to give the banking corporations to which the relevant Directives apply the business flexibility needed at this time, in order to lighten the burden on customers who have been adversely impacted by the state of war. This Temporary Directive shall be updated from time to time as required.
3. The amendment of the Directive was not accompanied by the publication of a report under the Principles of Regulation Law, 5782-2021, in view of the exemption established in Section 34(c)(5) of the Law, as the amendment of the Directive extends its validity for a period that does not exceed a year for certain sections in the Directive.
4. After consulting with the Advisory Committee on Banking Business Affairs and with the approval of the Governor, I have extended the validity period of the Proper Conduct of Banking Business Directive as detailed below, except for the sections in the Directive for which there are no reasons justifying their extension – those sections shall be cancelled.

### Main provisions of the Directive

5. Sections 2c, 5a, 5b, 6.iii, 6.iv, 6a, 6b, 9a(b) shall be cancelled.

### Explanatory notes

The validity of the easings that were set in the said sections ended and justified reasons for extending it were not found.

### Commencement

6. The start date of the amendments to Directive 251 as determined in this Circular shall be July 1, 2024.

### Application

7. The period in which the temporary directive and the amendments in it are in force has been extended to December 31, 2024, except for the following sections:

a. Section 6.i of the Directive, for which the validity date is until the end of the validity period of the Planning and Building (Projects and Buildings exempt from a permit) (Temporary Directive—Swords of Iron) Regulations, 5784-2023.

**8. File update**

Update pages for the Proper Conduct of Banking Business Directives file are attached. The following are the update instructions:

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Respectfully,

Daniel Hahiashvili
Supervisor of Banks