

BANK OF ISRAEL

Office of the Spokesperson and Economic Information

Press release

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**The Bank of Israel makes a significant step in advancing innovation, efficiency, and transparency in the payment systems**

**The Bank of Israel has completed the transition to the ISO20022 standard in the ZAHAV system—a significant step that advances innovation, efficiency, and transparency in Israel’s payment systems, and promotes their stability.**

The Bank of Israel has successfully completed its transition to the international ISO20022 payments standard for real-time credits and transfers (known locally as the ZAHAV system)—the core infrastructure for financial transfers in shekels. This is a major milestone in the development of Israel’s financial infrastructure, and puts the local economy at the forefront of global innovation in the payment systems field.

The Bank of Israel adopted the ISO20022 standard, adapted by SWIFT as a platform for international payment transfers in accordance with international standards, similar to leading markets such as the European Union, the UK, and Canada. This new standard enables the transfer of richer, more structured, and more uniform data in payment messages, which will help make payment transfers more efficient, faster, and cheaper for customers. Over the long term, this has the potential to have a broad impact on everyone involved in the local economy—customers, banks, payment systems, nonbank financial institutions, fintech companies, and businesses.

**Implementing this new standard is expected to bring significant benefits to the public, including:**

• **Faster transaction execution:** Thanks to more detailed information and quicker processing times, the new standard can speed up payments, improving the customer experience for both individuals and businesses.

• **Lower transaction costs:** By structuring the data and unifying the fields in each payment message, the new standard can reduce transaction costs.

• **Improved data quality:** More precise, faster, and more efficient transfers than ever. With fewer disruptions and greater precision, transfers become easier and quicker for everyone.

• **Global compatibility:** Strengthened ability to make secure and precise international payments in line with global standards.

• **Promoting innovation:** Richer data makes it possible to develop advanced financial products tailored to changing needs.

**Bank of Israel Governor Prof. Amir Yaron said:** “The implementation of the ISO 20022 standard in the ZAHAV system is an important infrastructural and strategic step led by the Bank of Israel, and brings us in line with international standards. The success in implementing the standard strengthens the core infrastructure of the payments market in Israel, contributes to improved transparency, precision, and efficiency, and places Israel at the global forefront of innovation in the payment systems field. I thank all of those who were involved in this process, which is a clear example of innovation and professionalism for the good of the public and the economy.”

**Ofer Golan, Head of the Payment and Settlement Systems Department at the Bank of Israel,** said: “I am starting this position with a deep sense of commitment, at an exciting time when the payments market is undergoing a major technological leap. I am proud to begin my tenure with the launch of ISO20022 in the ZAHAV system—an infrastructure project and a significant strategic move that has been in the works for a long time, involving extensive work, coordination with the entire market, and close collaboration with key participants in the financial system. The successful adoption of this standard brings us in line with global norms and is an important element in strengthening our core financial infrastructure, boosting efficiency, improving data transparency and precision, and preparing the market for the challenges and opportunities of the global economy. I thank all of our partners for their professionalism and dedication. I see this move as tangible proof of the principles that will continue to guide our department—namely innovation, excellence, and fruitful collaboration for the benefit of the public and the economy.”

**Lior Georgi, Head of the Information Technology Department at the Bank of Israel**, added: “We are proud to announce the successful completion of a major technological upgrade to our RTGS system, bringing it into full compliance with ISO20022. This upgrade is a critical part of our efforts to enhance the efficiency, reliability, and security of Israel’s payment systems. It puts us at the cutting edge of financial innovation, and lets us take advantage of a richer, more comprehensive messaging protocol. It is a technological leap forward that bolsters our position and enables us to tackle the future challenges in the payments world.”

The Bank of Israel will continue to encourage technological innovation and promote advanced payment infrastructures for a more open, competitive, and stable financial market—ultimately serving all citizens of the country.

A detailed explanation of the ZAHAV system can be found on the Bank of Israel website at:

<https://www.boi.org.il/en/economic-roles/payment-systems/payment-systems-in-israel/zahav/>