



March 6, 2017

**Circular Number C-06-2530**

To:

Banking corporations

**Re: Opening Days of Banking Corporations' Offices**  
(Proper Conduct of Banking Business Directive no. 401)

**Introduction**

1. The Directive defines the rules for banking corporations in cases of temporary closures of branches and changes in operating times. The Directive was amended due to the regulation of the issue of closing a branch permanently in the Banking (Licensing) Law (Amendment 22), 5776-2016, and in Proper Conduct of Banking Business Directive no. 400, which expands the requirements applicable to the banking corporations in such cases.
2. In view of the above, and following consultation with the Advisory Committee on Banking Matters and with the approval of the Governor, I have amended this Directive.

**The changes in the Directive**

3. Section 6(a)—there was a change in the publication requirement regarding a one-time change in the regular working hours of a branch on a regular business day, from an announcement in a daily newspaper and via the Broadcasting Authority, to an announcement on the banking corporation's website and at the entrance to the branch.

**Explanation**

As transmitting this type of announcement via a daily newspaper and via the Broadcasting Authority is not effective, the ways were changed to providing notice through publication on the banking corporation's website and at the entrance to the branch.

4. Section 6(b)—there was a change in the publication requirement regarding a temporary closure of a bank branch for a predetermined period, from an announcement in a daily newspaper and via the Broadcasting Authority, or in three daily newspapers, to an announcement on the banking corporation's website and at the entrance to the branch. The requirement to inform the Supervisor of Banks about a temporary closure of a bank branch was cancelled. The requirement to offer an alternative branch in the same locality was deleted, so that it is sufficient



to rely on alternatives that allow the continued provision of banking services to customers of the branch set for temporary closure.

**Explanation**

As transmitting this type of announcement via a daily newspaper and via the Broadcasting Authority or via three daily newspapers is not effective, the ways were changed to providing notice through publication on the banking corporation's website and at the entrance to the branch.

Likewise, in addition to directing the customer to an alternative branch, it is important to bring to customers' attention their ability to carry out activities through direct channels, such as carrying out activities via automated teller machines near the said branch, or via the website, call center, or mobile applications.

5. Section 8—the words “to close a branch or” at the beginning of the section were deleted.

**Explanation**

These words were deleted due to the regulation of the issue of closing a branch permanently in Proper Conduct of Banking Business Directive no. 400, and due to the regulation of the specific topic of notice to customers regarding closing a branch within the framework of the Banking (Licensing) Law (Amendment 22), 5776-2016.

6. Section 8(b)—the words “alternative ways to receive the banking services at the times when the branch is expected to be closed” were added, and in parallel the words “another branch to which they may transfer their accounts without paying a transfer fee” were deleted.

**Explanation**

As the change in the branch's hours of operation is a significant change, it should be confirmed that customers will be given the possibility of receiving service in alternative ways.

**Effective Date**

11. This Directive shall go into effect on the date of its promulgation.

**File update**

12. The updated pages of the Proper Conduct of Banking Business file are attached.  
The following are the update instructions:



**Updating of this File**

**Remove page**  
(12/95)[2] 401-1-2

**Insert page**  
(3/17)[3] 401-1-2

Sincerely,

Dr. Hedva Ber  
Supervisor of Banks

## **OPENNING DAYS OF BANKING CORPORATIONS' OFFICES**

### **Introduction**

1. The contract between a banking corporation and its customer includes the implied condition that the corporation's offices shall be open every day, except:
  - (a) Festivals and official holidays in Israel;
  - (b) Other days on which it is customary to close the offices of banking corporations.
2. It is accepted and customary in the banking system that offices shall be closed to customers on January 1 for the purpose of preparing and auditing the financial report. The banking corporations generally inform the public that their offices will be closed on January 1 via the press, other communications media, and notices posted outside their offices. This practice, together with the aforesaid ways of informing the public, should not be regarded as a violation of the contract between the corporation and its customers.
3. It is also customary for banks to close their offices on Purim and the ninth of Av. This practice, together with informing the public, should not be regarded as a violation of the contract between the corporation and its customers.

### **Closing offices**

4. The public may be informed of the closure of banking corporations by the Association of Banks or on behalf of a group of banking corporations or an individual corporation.
5. A banking corporation that closes its offices on days that are not official festivals and holidays or on days when it is customary to close banks, as stated, risks violating the contract with its customers.
6. The above principles apply to both the banking corporation and its branches. However, situations may arise in which a banking corporation decides to reduce its hours of work in a

**ONLY THE HEBREW VERSION IS BINDING**

branch, or to close it temporarily. In order to minimize the weight of possible claims of damage from customers, banks should act as follows:

- (a) In the case of a one-time reduction in the branch's usual working hours on a normal working day: an announcement should be placed one working day in advance on the bank's website and at the entrance to the branch.
- (b) In the case of a temporary closure of a branch for a predetermined period: an announcement should be made at least three working days in advance via the banking corporation's website and at the entrance to the branch. Within the framework of the above announcement, alternatives should be offered that allow the continued provision of banking services to customers of the branch that is to be temporarily closed.

- 7. The above principles do not pertain to instances of force majeure, such as the closure of a branch or branches of a banking corporation that is not at the initiative of the management and was not expected.
- 8. If a banking corporation decides to make a significant change in a branch's working hours by closing it at a time when it previously gave services to the public, it must act as follows:
  - (a) It shall inform the customers in the branch of the changes at least 30 days before the change is made;
  - (b) It shall offer the customers alternative ways to receive the banking services at the times the branch is expected to be closed;
  - (c) If, due to the change, a customer decides within 60 days that he no longer wishes to receive services from that bank and wishes to transfer his accounts to another bank, the bank shall offer to implement the transfers without charging a fee.

\* \* \*

**Updates**

<b>Circular 06 number</b>	<b>Version</b>	<b>Details</b>	<b>Date</b>
635		Original circular	March 28, 1976
1117		Update	February 26, 1984
----	1	Integration into Proper Conduct of Banking Business Directives file	8/91
----	2	Renewed version of of BSD directives file	12/95
2530	3	Revision	March 6, 2017