



Jerusalem, September 12, 2016
Circular no. C-06-2510

Re: Locating Dormant Deposits and Deceased Persons' Accounts Project
(Proper Conduct of Banking Business Directive no. 436)

Introduction

1. The project in which dormant deposits and deceased persons' accounts may be located is meant to help bank customers track down such deposits and accounts, in any amount whatsoever, by using an online platform (hereinafter: the Project). The Project was designed in a manner that strikes a balance between the need to make the information accessible to customers conveniently, rapidly, and at no cost, and the need to protect customers' privacy. In this balance, it was decided that the information to be shared with a customer within the framework of the Project shall include only the name of the bank where the dormant deposit or the deceased relative's account is kept, and shall not include details about the branch where the account is kept, the type of account or deposit in question, the balance of funds in the account or deposit, and so on. To obtain further details about the account or the deposit, the customer or the heir, as the case may be, may approach the bank where said account or deposit is kept.
2. After consulting with the Advisory Committee on Banking Business Affairs and with the approval of the Governor, I hereby establish this Directive.

Main provisions of the Directive

3. Section 2 of the Directive defines a "dormant deposit" for the purpose of the Project.
4. Section 3 of the Directive states that a bank shall present, on the home page of its web site, a referral to a dedicated page on the site that shall deal with public enquiries about dormant deposits and deceased persons' accounts, as shall be received pursuant to the use of the Project. On this page, the bank shall specify, *inter alia*, the ways in which it may be approached for information on the matter and the documents that may be required for the receipt of information or funds, if any.
5. Section 4 of the Directive states that the bank shall appoint a specific officer to deal with customer enquiries about dormant deposits and deceased persons' accounts.
6. In accordance with Section 5 of the directive, the bank shall establish in its procedures a process for identifying customers or heirs in regard to sharing information about balances of funds in dormant deposits or testators' accounts, as the case may be. It is stated, however, that insofar as the balance of funds is smaller than NIS 3,000, the customer shall not be required to visit the branch of the bank in order to be identified. The bank may establish a stricter standard in this respect. It is also explained that the bank may share the information with a customer or an heir by means of human telephone response even if the customer has not concluded an e-banking agreement, given that said information will be shared only with a person who has been identified as entitled to receive it. It deserves emphasis that this is a specific provision that shall apply notwithstanding any other general agreement concerning consent to receive e-banking services.



7. In accordance with Section 6 of the Directive, a bank shall establish in its procedures a process for identifying customers or heirs for the purpose of withdrawing funds from a dormant deposit or a testator's account, as the case may be, and the way in which said funds shall be transferred to them.
8. Section 8 of the Directive concerns a customer request to delete information about him or her from the Project. Here it is stated that if a customer presents such a request, the bank shall cease to forward information about him or her to the Bank of Israel within the framework of Tables 1 and 2 as specified in Reporting to Banking Supervision Department Directive no. 839, starting with the monthly report that shall be forwarded to the Bank of Israel after fourteen business days, at the most, from the day on which the customer's request is received. The bank must document said customer request. In this matter, it is explained that a customer's request to delete his or her name from the database shall be in effect from the time it is given, including upon his or her death. Furthermore, to eliminate doubt, it is stated for clarity that an heir may not request the deletion from the Project of information about the testator.
It is also stated that insofar as the deposit or account is held jointly by several persons, the bank shall act in accordance with a request by one of the co-holders to delete the information from the Project, solely in regard to information about the customer who presents the request, even absent the other co-holders' consent.
9. In accordance with the authority invested in the Supervisor by force of Section 3(1a) of the Banking Rules (Customer Service) (Proper Disclosure and Presentation of Documents), 5752-1992, it is stated in Section 8 of the Directive that a telephone-instruction agreement may be concluded with a customer by means of a recorded call or by a documented digital telephone response provided that said agreement, which is shown to the customer for his or her review before it is executed (e.g., by publication of the standard contract on the bank's web site), shall be sent to the customer immediately after it is executed. Said agreement shall be executed in order to allow the customer to present, where necessary, instructions concerning actions that shall be taken to transfer the balance of funds in a dormant deposit or to close the account.
It is determined that this Section shall apply only to a dormant deposit that is owned by one person and only to a balance of funds that does not exceed NIS 50. It is explained that the Section shall apply both to a dormant deposit located by means of the Project and to a dormant deposit located in some other way. It is emphasized that the foregoing shall not derogate from the bank's duty to identify the customer.

Explanatory remarks

The purpose of this Directive is to regulate the way in which banks shall deploy for the Project in respect of providing service to customers and their heirs in a manner that is adequate, rapid, and as convenient as possible by creating a dedicated web page that shall handle enquiries in the matter, employing a dedicated officer to handle enquiries from customers and heirs, regulating the identification of customers or heirs for information-sharing and withdrawal-of-funds purposes, and additional matters.

Effect

10. This Directive shall go into effect on the day of its promulgation. If the Supervisor of Banks finds that the banks have not deployed for the implementation of this Directive by the date



specified above, he or she may postpone effect by thirty days. Section 8 of the Directive shall apply until such time as Proper Conduct of Banking Business Directive no. 435, "Telephone Instructions," is canceled.

Update of file

11. Update pages for the Proper Conduct of Banking Business Directive file are attached. The provisions of the update follow.

Delete page

Insert page

436-1-2 [1] (9/16]

Respectfully,
[Signed]
Dr. Hedva Ber
Supervisor of Banks

Locating Dormant Deposits and Deceased Persons' Accounts Project

To help bank customers locate dormant deposits and deceased persons' accounts, it has been decided to establish an online platform (hereinafter: "the Project") that will enable owners of dormant deposits and heirs of deceased bank customers to obtain information about such deposits and accounts.

The information that customers may procure by searching via the Project shall include only the name of the bank where the account or the dormant deposit is kept. As for accounts of deceased persons, the information that heirs may obtain by searching via the Project shall relate to all accounts in the deceased person's name, be they active accounts or dormant accounts or deposits.

Details about the type of account or deposit, and about the balance of funds therein, in respect of both dormant deposits and deceased person's accounts, shall be shared by the bank where the account/deposit is kept.

The purpose of this Directive is to regulate various matters pertaining to the Project.

Incidence

1. This Directive shall apply to banks with the exception of foreign banks. The Supervisor may lay down provisions different from those specified below that shall apply to certain banks that do not engage in retail activity.

Definitions

2. In this Directive, a "**dormant deposit**" is a deposit in regard to which the bank has not managed to establish contact with the owner for two months at approximately its date of maturity; for a current account, the day on which the deposit becomes a dormant deposit as defined in Section 2 of the Banking Ordinance, 1941, shall be considered the date of maturity, namely, at the end of ten months from the day on which the most recent instruction from its owner was received; for an automatically renewed deposit, the date of maturity shall be considered the date of renewal, provided ten months have lapsed since the day on which the deposit was created.

Dedicated web page

3. A bank shall present, on the home page of its web site, clearly and in a prominent place, a referral to a dedicated page on the site that deals with public enquiries concerning dormant deposits and deceased persons' accounts as shall be received through use of the Project. On said dedicated web page, the bank shall specify, *inter alia*, ways in which the bank may be contacted for information on the matter and the documents that may be required for the receipt of information or funds, if

any. Said dedicated page shall be accessible on the site by the date on which this Directive goes into effect.

Dedicated Customer Enquiries Officer

4. A bank shall appoint a specific person to handle customer enquiries about dormant deposits and deceased persons' accounts; said person shall serve as an "officer in charge of public enquiries for the location of dormant deposits and deceased person's accounts project" (hereinafter: Customer Enquiries Officer). This is meant, among other things, to ensure appropriate treatment by the bank and provision of an adequate response, with all possible celerity, to customers' enquiries.

Identifying customers or heirs for the purposes of sharing information

5. a. If a customer or an heir approaches a bank for information about the balance of funds in dormant deposits, or about the balance of funds in a testator's account (hereinafter in this section: the information), the bank shall establish in its procedures a process for identification of the customer or the heir for the purpose of sharing the information.
- b. If the balance of funds is smaller than NIS 3,000, the bank shall not require the customer to visit a branch in order to be identified.
- c. A bank may share the information with a customer or an heir via human telephone response even if said customer or heir is not a party to an e-banking agreement.

Identifying customers or heirs for the purpose of withdrawing funds

6. If a customer or an heir approaches a bank for the purpose of withdrawing the balance of funds in a dormant deposit or a testator's account, the bank shall establish in its procedures a process for the identification of said customer or heir and the way in which the funds shall be transferred to him or her.

Deletion of customer information from the Project

7. If a customer asks a bank to delete information about his or her bank accounts within the framework of the Project (hereinafter: request to delete information):
 - a. The bank shall cease to send the Bank of Israel details about the customer, within the framework of Tables 1 and 2 as specified in Reporting to Banking Supervision Department Directive no. 839, starting from the monthly report to be forwarded to the Bank of Israel after fourteen business days, at the most, from the day on which said customer request is received.
 - b. The bank shall retain documentation of the request to delete information in its records.
 - c. If the deposit or the account is jointly held, the bank shall act in accordance with the request of one of the co-holders to delete information about him or her from the Project, even without the consent of the other co-holders of said deposit or account.

Instruction-by-telephone agreement

8. If the dormant deposit is owned by only one customer and its balance of funds does not exceed NIS 50, and if the customer asks to have the balance of funds transferred and to close the account—the bank may execute with a customer an instruction-by-telephone agreement by means of a recorded call or a documented digital telephone response, provided said agreement be sent to him or her in writing immediately after it is executed. For the sake of clarity, it is stated that this shall not derogate from the requirement of affording the customer the possibility of reviewing the agreement before it is executed.

Updates

Circular no.	Version	Details	Date
2510	1	Original Directive	September 12, 2016