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Prohibition on Money Laundering (The Banking Corporations' Requirements regarding Identification, Reporting, and Record-Keeping for the Prevention of Money Laundering and the Financing of Terrorism) Order, 5761–2001*

By virtue of the power vested in me under Sections 7 and 32(c) of the Prohibition on Money Laundering Law, 5760–2000,¹ (hereinafter referred to as “the Law”) and Section 48(a) of the Prohibition on Financing Terrorism Law, 5765–2005,² (hereinafter referred to as “the Prohibition on Financing Terrorism Law”) following consultation with the Minister of Justice and the Minister for Internal Security, and with regard to Part Three (A) also with the agreement of the Minister of Justice, and with the approval of the Constitution, Law, and Justice Committee of the Knesset, I hereby order as follows:

Part One: Interpretation

Definitions

1. In this Order—

“The Postal Bank”	the company as defined in the Postal Law, 5746-1986, in its provision of financial services as defined in said law, via the subsidiary, as understood in Section 88k of said law;
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"region"-	any of the following: Judea, Samaria, and the Gaza Strip;
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* Kovetz Hatakanot of 5761, p. 310; 5763, p. 932; 5764, p. 959; 5767, p. 366; 5772, p.277; 5774 (#7337) p.592.

¹.Sefer Ha-Chukkim of 5760, p. 293.

² Sefer Ha-Chukkim of 5765, pp. 76 and 947.

"FATF (Financial Action Task Force) organization"-	an international organization to combat money laundering and financing of terrorism;
"account holder"-	a person registered in the banking corporation as being the account holder;
"holder of a controlling interest"-	a person who has control of a corporation, as defined in Section 7(a)(1)(b) of the Law;
"recognized entity"-	a workers committee or representative of a residents committee;
"the Supervisor" -	as defined in Section 12 of the Law;
"SWIFT (Society for Worldwide Interbank Financial Telecommunications) bank transfer"-	a secured bank transfer via SWIFT;
"competent authority"-	as defined in Section 29 of the Law;
"the List"	a centralized list of designated terrorist organizations and of people designated as terrorists published by virtue of regulations according to Section 47(b)(1)(c) of the Prohibition on Financing Terrorism Law; and such organization regarding which or person regarding whom a notification designating it or him has been issued to a banking corporation in a manner specified in Section 47(b)(1)(b) of the Prohibition on Financing Terrorism Law, and the banking corporation has not received a notice canceling the notification;

**"managing company" and
"provident fund"**

as defined in the Control of Financial Services (Provident Funds) Law, 5765–2005,

"account"-

including a list of debits and credits by virtue of an agreement for settling transactions performed via payment cards, by virtue of an agreement to issue payment cards and by virtue of a trust agreement;

"correspondent account"-

any of the following:

1. An account managed for a banking corporation;
2. An account managed for a foreign corporation that is a bank or an account managed for a foreign corporation operating as an investment bank or clearing house, and for which an approval has been granted by the person responsible for the fulfillment of obligations pursuant to Section 8 of the Law.

"individual"-

someone who is not a corporation, nor a public institution, nor a foreign corporation established by legislation abroad, nor a recognized entity;

“payment card”

as defined in the Debit Cards Law, 5746–1986, and a plate or another means intended for the carrying out of payments and the purchase of assets or services from a supplier or for withdrawing cash, in which monetary value can be accumulated, and which cannot be used to debit a current account in a banking corporation, with the exception of a card, a plate or another

	means in which the maximum balance that can be accumulated (below—"the balance") is limited to NIS 1,000. The Supervisor of Banks is permitted to revise the balance provided that it shall not be less than the amount noted;
"insurer"-	as defined in Section 1 of the Law; ³
"public institution"-	government ministries, the Jewish Agency for Israel, local authorities, and other authorities, corporations, or other institutions established in Israel by legislation;
"authorized signatory"-	someone empowered by the account holder to operate the account, whether or not the account holder is an individual, including via a payment card, provided that he is registered in the banking corporation as someone permitted to operate the account;
"identity number"	(1) of an individual who is a resident—identity number as in the population registry; (2) of an individual who is a foreign resident—passport number or <i>laissez passer</i> number and the name of the country which issued the passport or <i>laissez passer</i>; for an individual identified by means of a document pursuant to Section 3(a)(7)—identification number in that document and the name of the country which issued that document. If the individual was a resident of the region—the identity number may also be the identity number in

³ *Sefer Ha-Chukkim* of 5741, p. 208.

the magnetic card issued by the Civil Administration;

- (3) of a corporation registered in Israel—the registration number in the relevant register;
- (4) of a corporation not registered in Israel—its registration number, if any, in the country where it was incorporated and the name of the country, and if no registration exists for that type of corporation, the internal registration number in the banking corporation; for a corporation identified by means of a document pursuant to Section 3(a)(7)—identification number in that document and the name of the country which issued that document;
- (5) of a public institution, a recognized entity, and a foreign corporation established by legislation—the registration number allocated by the banking corporation;

"address"

- (1) of an individual—the address recorded in a document pursuant to Sections 3(a)(1), 3(a)(2), and 3(a)(7), or his place of residence as he provided it, including the name of the town, and also the name of the street, the number of the house, and the postal code, if such information exists, and in case of a foreign resident, also the name of the country;
- (2) of a corporation—the address recorded in a document pursuant to Sections 3(a)(3), 3(a)(4) and 3(a)(7) or the location where its

business in Israel is managed, and if it does not manage business in Israel, the location of its main business abroad, all as it provided; the address shall include the name of the town, and also the name of the street, the number of the house, and the postal code, if such information exists, and in case of a corporation abroad, also the name of the country.

- (3) of a public institution, a recognized entity, and a foreign corporation established by legislation abroad —the address it provided, including the name of the town, and also the name of the street, the number of the house, and the postal code, if such information exists, and in case of a foreign corporation established by legislation abroad, also the name of the country;

"service recipient"-

an account holder, authorized signatory, or one performing a transaction in a banking corporation which is not recorded in an account, or one performing in a banking corporation a transaction which is not recorded in an account in which transaction performer is listed as account holder or authorized signatory;

"beneficiary"-

as defined in Section 7(a)(1)(a) of the Law, and if the beneficiary is a corporation, the corporation and the holders of the controlling interest in it shall be considered beneficiaries;

"lawyer"-

a lawyer licensed to practice law in Israel, and also, with regard to a corporation which is not registered in Israel, a lawyer licensed in the corporation's country of incorporation, provided that the country or territory in which the corporation is incorporated is not listed in the Fourth Schedule; if the country of incorporation is one of the Organization for Economic Cooperation and Development (hereinafter, "OECD") member states, then also a lawyer licensed in one of the OECD member states;

"transaction"-

a single transaction, unless otherwise stated in this Order;

"parties to a transaction"

every one of the parties to a transaction performed via a banking corporation, including a party performing the transaction according to Sections 2(f) and 2(g); and regarding promissory notes and checks, the issuer of the note or the drawer of the check, as applicable, and the payee of the note or the check, as applicable;

"provident fund"

(deleted)

"fund"-

as per its meaning in the Joint Investment Trust Law, 5754–1994;

"name"-

(1) of an individual—surname and first name recorded in the identification certificate pursuant to Section 3;

- (2) of a corporation—its registered name, and if it was incorporated in a country where no registration exists for that type of corporation, the name that it provided;
- (3) of a corporation established by legislation—the name prescribed in the legislation, whether in Israel or abroad;
- (4) of a recognized entity, and of a public institution, excluding a corporation established by legislation—the name it provided;

"corporation" -

any one of these:

- (1) a company, partnership, cooperative society, Ottoman society, nonprofit association, or a political party, registered in Israel;
- (2) an entity registered abroad as a corporate body;
- (3) an entity incorporated in a country where no registration exists for that type of entity, provided it produced a document attesting to its being a corporation;

“banking corporation”

(deleted)

"resident"-

as per its meaning in the Population Registry Law, 5725–1965,⁴ including an Israeli citizen registered in the population registry who is not a resident;

⁴ *Sefer Ha-Chukkim* of 5725, p. 270.

"resident of region"-	one who is listed in the Population Registry of the region.
"foreign resident"-	a person who is not a resident.

Part Two: Requirements regarding Identification

Recording identification particulars

2. (a) A banking corporation shall not open an account without recording the following identification particulars in respect of each of the account holders and authorized signatories, and in respect of anyone applying to open an account if not one of the above, and authenticating them as set forth in Section 3:
 - (1) name;
 - (2) identification number;
 - (3) for an individual—date of birth, and sex; for a corporation—date of incorporation;
 - (4) address.
- (b) A banking corporation shall not open an account without recording the particulars in Subsections (a)(1) and (2) in respect of a beneficiary; the particulars shall be recorded according to a declaration as per Section 4; if the banking corporation does not have the beneficiary's identity number, after having taken reasonable measures to obtain one, instead of the identity number the banking corporation shall record the details listed in Subsection (a)(3) herein, and the country of citizenship or incorporation, as applicable; the provisions of this subparagraph shall not apply—
 - (1) where the banking corporation discovers on opening the account that the account is in favor of a beneficiary whose identity cannot be discovered from the declaration made by the person who applied to open the account, giving as the reason that the identity of the beneficiary was not known yet. In this case the banking corporation

shall draw the attention of the person who applied to open the account, in writing, to his obligation to provide the banking corporation with the particulars of the beneficiary as soon as the identity of the beneficiary becomes known.

- (2) in the case of an applicant wishing to open an account whom a court, religious court, chief of the execution office, the inheritance registrar or other official body of the State set by the Supervisor of Banks has appointed, provided the applicant has declared his appointment, the banking corporation shall indicate the appointment in the account records and shall keep a copy of the of the documentation to this.
- (c) A banking corporation shall not open an account for a corporation without recording the identification particulars as in Subsections (a)(1) and a(2) herein of those holding controlling interests in it. The particulars shall be recorded according to a declaration as per Section 4; where the banking corporation does not possess such identity number, after having taken reasonable measures to obtain one, it may instead record the details as in Subsection (a)(3), and the country of citizenship.
- (d) A banking corporation shall not add to an account
 - (1) an account holder or authorized signatory without recording in respect thereof the identification particulars as per subsection (a) herein and authenticating them as set forth in Section 3;
 - (2) a beneficiary without recording in respect thereof the identification particulars as per Subsection (b) herein;
 - (3) a holder of a controlling interest of a corporation without recording in respect thereof the identification particulars as per Subsection (c) herein.
- (e) The opening of an account and adding an account holder, adding a beneficiary, and adding a holder of a controlling interest shall be accompanied by a declaration as per Section 4; the said declaration made at the opening of an account shall bear an original signature.

- (f) A banking corporation shall not carry out a transaction which requires a report pursuant to the provisions of Section 8 and which is not recorded in an account in which the party performing the transaction is recorded as an account holder or authorized signatory, without recording the identification particulars of the party performing the transaction as per Subsection (a) herein according to an identification certificate as set forth in Section 3, or a certificate issued by the State of Israel bearing the party's name, identity number, date of birth and photograph, and shall keep a photocopy of the identification certificate. In the said transaction which is not recorded in any account of an account holder, the banking corporation shall authenticate the particulars of the party performing the transaction as set forth in Section 3, with the necessary alterations.
- (g) A banking corporation shall not carry out a transaction which does not require a report pursuant to Section 8 and which is not recorded in an account in which the party performing the transaction is recorded as an account holder, authorized signatory or guarantor, without identifying the party performing the transaction and recording the name and the identity number in accordance with the identification certificate as provided in Section 3, or a certificate issued by the State of Israel bearing the party's name, identity number, date of birth and photograph; in this subsection, "transaction" means a transaction in cash involving NIS 10,000 or more, or another transaction involving NIS 50,000 or more.
- (h) For purposes of Subsection (f), according to an instruction from the person responsible for the fulfillment of the obligations pursuant to Section 8 of the Law regarding a particular account and for purposes of Subsection (g), in a transaction, the instruction of which appears to bear the signature of the account holder or on authorized signatory, the one whose signature appears to be on the transaction instruction shall be considered as the party that carried out the transaction. Likewise, with reference to Subsection (g), a funds deposit in a device through which an account holder or authorized signatory can perform transactions in the account with the banking corporation via a payment card registered under the name of the account holder or authorized signatory,

by keying in a secret ID code, shall be viewed as a transaction of the account holder or authorized signatory of the account.

- (i) When a guarantee is signed for an account holder in favor of the banking corporation, the banking corporation shall record the identification particulars of the account holder's guarantor pursuant to Subsections a(1) to a(4), according to the identification certificate set forth in Section 3, and shall retain a photocopy of the identification certificate.
- (j) In Subsections (a) to (e) above, "account"—including a safe-deposit box.
- (k) A banking corporation shall not carry out an instruction by a service recipient for a SWIFT bank transfer from Israel to abroad, without registering, on each transfer document, the name of the service recipient, his account number and address, and to the extent possible the name of the initiator of the transfer, as well as the transfer recipient's name and account number; If the transfer noted herein was carried out, not from the account of the service recipient or not to the transfer recipient's account, the banking corporation shall record on each transfer document the name of the service recipient, his address and identification number, and to the extent possible the name of the initiator of the transfer or the transfer recipient's name and identification number, as the case may be; With regard to this subsection, the transfer recipient's identification number may be an identifying number provided by the service recipient; this subsection shall not apply on a transfer following activity deriving from the payment card, excluding such case if the payment card is used to transfer funds, provided that the banking corporation recorded the card details on the transfer document.
- (l) A banking corporation which maintains a correspondent account through which a transaction involving an electronic transfer from Israel to abroad, or from abroad to Israel, is carried out, or whose source and destination are not in Israel but it was carried out through Israel, shall record all the information it receives regarding the details of the transfer, the one who transferred and the recipient, within the framework of the transfer document.

Know Your Customer

- 2a. (a) A banking corporation shall not open an account not perform any transaction which is not recorded in the account, without identifying the service recipient and without carrying out a "know your customer procedure" with regard to him or her, in line with the level of risk of money laundering or financing of terrorism. In this regard, a "know your customer procedure" includes, among other things, clarifying the source of the funds, the customer's occupation, the objective in opening the account or carrying out the transaction, the transactions planned for the account, and if the service recipient was refused the provision of services in a banking corporation for reasons related to the Prohibition on Money Laundering and Financing of Terrorism; regarding a foreign resident, clarifying his or her connection to Israel as well, and whether he is a foreign politically exposed person (PEP); regarding a business owner—the type of business as well; the banking corporation shall record these details.
- (b) A banking corporation shall conduct ongoing control with regard to the "know your customer" procedure which it carried out at the beginning of the relationship, in line with the service recipient's level of risk of money laundering or financing of terrorism, and shall update its records accordingly. If a doubt arises with regard to the identity of the service recipient or the veracity of the identification documents provided to the banking corporation, the banking corporation shall conduct a "know your customer" procedure an additional time.
- (c) In a numbered account, the banking corporation shall take enhanced actions to know the customer. In this regard, a "numbered account" is an account of which the account owner's identity is known to the banking corporation, but under the identifying details there are numbers or code names on some of the banking corporation's records.
- (d) To implement this section, the banking corporation shall operate as noted by the directives of the Supervisor of Banks based on Section 5(c1) of the Banking Ordinance, 1941.

Authentication of particulars and the documents required

3. (a) A banking corporation shall authenticate the identification particulars of the service recipient in a banking activity as per Sections 2(a)(1), 2(d)(1), and 2(f), and shall obtain documents as set forth below.
- (1) For an individual who is a resident, in the matter of recording the identification particulars as per Sections 2(a)(1) to 2(a)(3)—an identity card or a certified copy of it a photocopy of one of which, insofar as the certificate relates to such identification particulars, shall be retained by the banking corporation; the banking corporation shall authenticate the identification particulars vis-à-vis the population registry, shall compare the date of issue of the certificate shown in it with the date of issue of the last certificate recorded in the population registry in the Ministry of the Interior, and shall retain the documentation of this check; for purposes of this subsection, an immigrant certificate up to 30 days from its date of issue and an Israeli passport in cases when the identification took place abroad or when the person responsible for the fulfillment of the obligations pursuant to Section 8 of the Law is convinced that the individual is no longer permanently resident in Israel, but the obligation to compare the date of issue of the document shall not apply in these cases;
- (2) For an individual who is a foreign resident, in the matter of recording of the identification particulars as per Sections 2(a)(1) to 2(a)(3)—a foreign passport or *laissez-passer*, or a certified copy of it, the banking corporation shall compare the identification particulars with another document bearing a photograph and identity number; in the absence thereof—a document bearing a name or identity number and also an address or date of birth. The photocopies of the identification certificates, insofar as they relate to such identification particulars, shall be retained by the banking corporation. If the individual is a resident of the region,

the banking corporation is permitted to record identification particulars based on the magnetic card issued by the Civil Administration, and a photocopy of it—insofar as it relates to such identification particulars—shall be retained by the banking corporation. The banking corporation shall compare the identification particulars with an additional document as noted for a foreign resident or shall verify the identification particulars with the Civil Administration registry, shall compare the date of issue of the card which appears on it with the last issue date of the card listed in the above-mentioned registry and shall retain documentation of this examination.

- (3) For a corporation registered in Israel, in the matter of recording of the identification particulars of the corporation as per Sections 2(a)(1) to 2(a)(3)—the registration certificate or a certified copy of it; if one of the said particulars does not appear in the certificate, the recording of the particulars shall be effected in accordance with an attorney's certification. The banking corporation shall obtain and retain the following documents or photocopies of them:
- (a) a certified copy of the corporation's registration certificate;
 - (b) certified copies of the corporation's foundation documents establishing the corporation;
 - (c) an attorney's certification of the corporation's existence, its name and identity number; alternatively, the banking corporation may authenticate the corporation's registration vis-à-vis the relevant registers;
 - (d) a certified copy of a resolution of the competent organ in the corporation to open an account, or an attorney's certificate that such a resolution was duly passed;
 - (e) a certified copy of a resolution of the competent organ in the corporation as to the authorized signatories in the account, or an attorney's certificate as to the authorized signatories in the account;

In this subsection attorney means someone licensed to practice law in Israel.

- (3a) The provisions of Section (3) notwithstanding, in the issuance of a payment card or in an account by virtue of an agreement for settling transactions or discounting transactions performed via payment cards, Subsections (b) and (d) in that section shall not apply.
- (4) For a corporation that is not registered in Israel, in the matter of recording of the identification particulars of the corporation as provided in Sections 2(a)(1) to 2(a)(4)— a document attesting to its registration or a certified copy of the said document insofar as such particulars appear in the document; if one of the said particulars does not appear in the document, the recording of the particulars shall be effected in accordance with an attorney's certificate; the banking corporation shall obtain a document attesting to the corporation's registration and documents as set forth in Subsections (3)(b) to (3)(e); for a corporation incorporated in a country in which there is no registration in respect of corporations of its type—the banking corporation shall obtain a certificate from an attorney that there is no registration in the country of incorporation; the banking corporation shall retain these documents or photocopies of them.
- (5) For a public institution and a foreign corporation established by legislation abroad, in the matter of registering the name—a declaration by the applicant wishing to open an account, and for a corporation established by legislation as per the legislation by virtue of which the corporation was established, or an attorney's certificate that such legislation exists; the banking corporation shall obtain the documents as per Subsections (3)(d) and (3)(e), with the necessary alterations; the banking corporation shall retain these documents or photocopies of them.
- (6) For a recognized entity, in the matter of registering the name and address—a declaration by the applicant after the banking corporation has ascertained, pursuant to a document, that the applicant to open the account is authorized to act on the recognized entity's behalf; the banking corporation shall retain this document or a photocopy of it.

- (7) Notwithstanding the provisions of Subsections (2) and (4) herein, if steps were taken to open the account abroad, the banking corporation may record the identification particulars according to the usual identification certificates for the same type of account in the banking system in the country in which the identification was made, provided that in the said country legislation exists which requires customer identification; if said identification particulars were recorded on the basis of one identification certificate, the banking corporation shall compare the identification particulars or some of them with an additional document; the banking corporation shall retain photocopies of the identification certificates.
- (8) For a minor aged less than 16 years—an identification certificate of one of his guardians; if the minor is a foreign resident—based on the minor's passport or based on a certified copy of it; from three months after the account holder reaches the age of 18 years, the banking corporation shall not carry out any transaction in the account initiated by the account holder unless the relevant provisions set out in Subsections (1) and (2) have been met.
- (b) In this section “certified copy” means a copy matching the source authenticated by one of the following:
- (1) the authority which issued the source document;
 - (2) an attorney, provided that with regard to a corporation that is not registered in Israel, an attorney that is not licensed to practice law in Israel shall be a notary as well
 - (3) an official of the banking corporation to whom the source document has been presented;
 - (4) an authority as per the Convention Abolishing the Requirement of Legalization for Foreign Public Documents (henceforth “the Convention to Abolish the Legalization Requirement”).⁵
 - (5) an Israeli diplomatic or consular representative abroad.

⁵ *Kitvei Amana*, Vol. 25, p. 493 [See also: <https://assets.hcch.net/upload/conventions/txt12en.pdf>]

- (c) Notwithstanding the provisions of this section, the banking corporation may, in certain circumstances and with reference to the risk of money laundering or financing terrorism, decide on alternative ways of identification and alternative methods of document verification or particulars verification, provided that it receives the authorization of the Supervisor of Banks for that.

Declaration about a beneficiary and a holder of a controlling interest

- 4. (a) When opening an account the banking corporation shall require the applicant wishing to open an account to give a declaration bearing an original signature stating whether there exists a beneficiary of the account; if the applicant declares that there exists a beneficiary of the account, the declaration shall include the particulars as set forth in Section 2(b) in respect of each of the beneficiaries; if the account is not opened by the account holder, the banking corporation, prior to performing the first transaction in the account, shall require also the account holder to make the above declaration. However—
 - (1) If the beneficiary is unknown, as in Section 2(b)(1), the applicant wishing to open an account shall declare accordingly.
 - (2) If the banking corporation is asked to open an account pursuant to Section 2(b)(2), it shall keep a copy of the documentation to that.
- (b) When opening an account for a corporation, the banking corporation shall require a declaration bearing an original signature from the corporation confirming the identification particulars of the holders of the controlling interest in the corporation as per Section 2(c).
- (b1) When performing a transaction pursuant to Section 8, if it is done other than via any account of the account holder's, the banking corporation shall require the service recipient give a declaration bearing an original signature stating whether he is acting for himself or on behalf of another; if the service recipient declares that he is acting on behalf of another, the declaration shall include the particulars as set forth in Section 2(b) in respect of each of the beneficiaries.

- (c) The declarations herein pursuant to Subsections (a) to (b1) shall be made in the format shown in the First Schedule or based on another form which the Supervisor of Banks authorized after consulting with the head of the competent authority.
- (d) A banking corporation shall examine the plausibility of the declaration, as noted in subsections (a) through (b1), carefully.
- (e) A banking corporation shall adopt reasonable measures, related to the risk of money laundering and financing of terrorism, to authenticate the identifications of the beneficiaries and the holders of the controlling interest as noted in subsections (a) through (b1), by use of relevant information or data received from a reliable source which satisfy it; to that end the banking corporation is permitted to verify the identification particulars as noted with the Population Registry and to that end is permitted to record as well the identification particulars noted in paragraph 2(a)(3).

Partial exemption

- 5. (a) The provisions of Sections 2(b), 2(d)(2) and 4(a) pertaining to registering a beneficiary in an account shall not apply to:
 - (1) an account of a public institution;
 - (2) an account of a banking corporation, the Postal Bank, an insurer, a member of the Stock Exchange, a provident fund and a managing company on behalf of a provident fund under its management, an account on behalf of a fund, and an account of a portfolio manager on behalf of his clients;
 - (3) a securities account that an overseas entity wishes to open for its customers, including a monetary account directly relating to such a securities account, provided that legislation or provisions of the competent authority obliging customer identification in the matter of the prevention of money laundering and the prevention of the financing of

terrorism apply to the said entity, and that the entity submitted a declaration thereon to the banking corporation;

- (4) an account of a recognized entity;
- (5) an account on behalf of a public charity registered by the Public Charities Registrar.
- (5a) an account on behalf of a rabbinical public charity which has been granted a certificate by a rabbinical court that it is a rabbinical public charity whose objectives are aimed at benefiting the public, unless the banking corporation has received a notification from the rabbinical court that the certificate has been cancelled.
- (6) (a) an account managed for communal purposes for the benefit of a large or indeterminate group of beneficiaries, provided consent has been obtained from the person responsible for the fulfilment of the obligations pursuant to Section 8 of the Law; opening an account pursuant to this subsection shall be conditional on a declaration by the applicant wishing to open an account, by means of the form in the First Schedule and bearing an original signature, on the special purposes of the account.
(b) an account managed for communal purposes for the benefit of a large or indeterminate group of beneficiaries, provided that the balance in the account at the end of every business day, and each transaction in the account, shall not exceed NIS 50,000; opening an account pursuant to this subsection shall be conditional on a declaration by the applicant wishing to open an account, by means of the form in the First Schedule and bearing an original signature, on the special purposes of the account.
- (7) an account which an attorney, a rabbinical pleader,⁶ or an accountant wishes to open for his clients, provided that the balance in the account at the end of every business day shall not exceed NIS 300,000, and no transaction in the account shall exceed NIS 100,000; opening such an account shall be conditional on a

⁶ A person qualified to plead in a rabbinical court.

declaration by the applicant wishing to open an account, by means of the form in the First Schedule bearing an original signature, that this is his only account of this type;

In this paragraph, "attorney" means someone licensed to practice law in Israel.

- (8) another type of account specified in a directive by the Supervisor of Banks.

If the account holder breaches the conditions in Subsections (6) and (7), a warning shall be sent to him accordingly; should he commit such a breach after being sent a warning, the banking corporation shall not perform any transaction initiated by the customer except withdrawal of the balance and closure of the account and payment of debts, unless the account holder completes the declaration on beneficiaries pursuant to Section 4.

- (b) The provisions in Sections 2(c), 2(d)(3), and 4(b) about recording a holder of a controlling interest shall not apply to the accounts of a banking corporation, an insurer, a provident fund, a managing company on behalf of a provident fund under its management, a company whose shares are traded on the Tel Aviv Stock Exchange or on a stock exchange in a member country of the OECD, or to the account of another type of corporation specified by the Supervisor of Banks in a directive; in this subsection and in Section 5a "stock exchange" shall mean a securities stock exchange or ordered market as defined in the Joint Investment Trust Law, 5754–1994.⁷
- (c) In the case of a company controlled by a company pursuant to Subsection (b), the latter company shall be considered as a holder of a controlling interest.

Correspondent account

5a. The provisions of this Part notwithstanding, the following provisions shall apply when opening a correspondent account:

- (1) The banking corporation shall record the following:

⁷ *Sefer Ha-Chukkim* of 5754, p. 308.

- (a) The name of the corporation, and if it is an overseas office, also the name of the parent company;
 - (b) In the case of a foreign corporation, the name of the country of incorporation and of the supervisory authority over the corporation with regard to the prohibition on money laundering and financing of terrorism;
 - (c) The address and telephone number of the corporation, and names of persons to contact;
 - (d) Names and addresses of those holding 20 percent or more of means of control of the corporation, unless the authority supervising the corporation with regard to the prohibition on money laundering and financing of terrorism is in Israel or in a member country of the OECD, and the shares of the corporation, or the shares of its controlling company are traded on an Israeli stock exchange or the stock exchange of an OECD member country. For this purpose, “means of control” is as defined in Banking (Licensing) Law, 5741–1981;⁸
- (2) When opening the account, the banking corporation shall obtain the following documents:
- (a) In the case of a foreign corporation, a copy of the latest annual financial statement or summary thereof published in a public database;
 - (b) A letter requesting the opening of an account, to be retained for at least seven years after the account is closed.
- (3) When opening a correspondent account for a corporation incorporated abroad in a country that is not a member of the OECD, the banking corporation shall obtain also the following documents, and shall retain them for at least seven years after the account is closed:
- (a) a license from the supervisory authority;
 - (b) the incorporation documents;
 - (c) one of the following:

⁸ *Sefer Ha-Chukkim* of 5741, p. 232, and of 5759, p. 24.

- (1) letters of reference from banks in OECD member countries that manage correspondent accounts of the corporation applying to open an account in the banking corporation.
- (2) a document certifying that the corporation applying to open an account in a banking corporation manages a correspondent account in banks as stated, and a declaration by the corporation that legal provisions or provisions of a competent authority that require identification of its customers for purposes of the prevention of money laundering and the prevention of financing terrorism apply to it.

Account in a closed system/loop

5b. (a) In this Section, “account in a closed system/loop”—an account of an individual used for holding and managing deposits of money, or of units as per their meaning under the Joint Investment Trust Law, 5754–1994 (hereinafter, “joint units”), in a banking corporation, for which the source of the money or joint units is an account of the same individual who is the owner of the deposit or joint units in another bank or at the Postal Bank (hereinafter, “the source account”), provided that the money or joint units transferred into it are transferred back to the source account.

(b) In opening an account in a closed system, the provisions of Sections 2a, 3(a)(1), and 3(a)(2), 4(a) and 6 shall not apply.

(c) (deleted)

Face-to-face identification

6. (a) The banking corporation shall identify the account holder and authorized signatory by means of an identification certificate pursuant to Section 3 prior to the first transaction by each of them in the account. For such purpose, face-to-face identification also includes:

- (1) identification by a representative or agent of the banking corporation;
- (2) identification by an attorney licensed to practice law in Israel;

- (3) identification by an Israeli diplomatic or consular representative abroad;
 - (4) identification by an authority as per section 6 of the Convention to Abolish the Legalization Requirement;
 - (5) any other method of identification approved by the Supervisor of Banks.
- (b) The banking corporation shall identify face-to-face—based on an identification document as detailed in Section 3 or based on a document issued by the State of Israel, which bears the name, identification number, date of birth, and picture—a person performing a transaction that requires a report pursuant to the provisions of Section 8 and which is not recorded in any account in which the person performing the transaction is registered as an account holder or authorized signatory.

Issuing a payment card

6a. (a) Before issuing a payment card, a banking corporation may act as follows, instead of acting as stated in Sections 2, 3, 4 and 6:

- (1) If a payment card has been issued to the holder of or authorized signatory in a current account in the issuing banking corporation or in the banking corporation that is a party to an arrangement to issue payment cards, the banking corporation shall register the identification particulars detailed in Section 2(a) of the owner of the payment card.
 - (2) If a payment card has been issued to an individual whose debits incurred via the card are settled via a current account in a banking corporation that did not issue the card or is not a party to an arrangement to issue payment cards, and the credit facility of the card is limited to a total of NIS 50,000, or if another payment card specified by the Supervisor of Banks has been issued, the issuing banking corporation shall register the identification particulars detailed in Section 2(a) of the owner of the payment card, as they appear in a copy of an identity certificate as provided in Section 3, that it shall retain.
- (b) In addition to the provisions of Subsections (a)(1) and (a)(2), the banking corporation shall register the following particulars for a current account against which activity via a payment card is settled: the number of the banking

corporation, the branch number, and the account number and name, and it shall also authenticate the identity particulars of the owner of the payment card vis-à-vis the population registry, and shall retain the documentation relating to this check.

- (c) In this section, “an arrangement to issue payment cards” means an arrangement between banking corporations made for the purpose of issuing payment cards, one party to which is a banking corporation in which the current account is managed, and the other party to which is an auxiliary corporation which is a credit card company, and the debits incurred by transactions with the payment card are settled via the current account.

Retaining identification certificates

7. The banking corporation shall retain the identification certificates for a period of at least seven years after the account is closed or after a transaction has been carried out as in Subsection 2(f) or for a longer period if required to do so by the Supervisor of Banks in certain circumstances in which the identification documents are required for an investigation or for supervision of carrying out the instructions of the Law; the retention of identity certificates, excluding a declaration bearing an original signature, may be by computerized scanning as specified in regulation 3a of the Testimony Regulations (Photocopies), 5730–1969 (hereinafter—the Testimony Regulations);⁹ in this matter, “identification certificates” means any document provided for purposes of identification and authentication, including a declaration given under this order and main documents used by the banking corporation to recognize the customer in accordance with Section 2a.

Instructions under special circumstances

- 7a. Notwithstanding the provisions of this section, the Supervisor of Banks may, under special circumstances, establish through a directive, alternative identification methods, methods of verifying particulars, authorizations and documents.

Considerations regarding an exempt account

⁹ Kovetz Hatakanot of 5730, p. 316; and of 5765, p. 794

- 7b. If a banking corporation reported a transaction in accordance with Section 9, and the service recipient who is the subject of the report maintains an account in accordance with Sections 5 or 5b, or if alternative identification processes were established for him in accordance with Sections 3(c) or 7a, the banking corporation shall consider, in line with the extent of risk of money laundering or financing of terrorism, the cancellation of the exemption or the alternative identification methods, as the case may be.

Part Three: Reporting Requirements

Reporting by size of transaction

8. (a) A banking corporation shall report the following transactions to the competent authority:
- (1) a deposit in an account or withdrawal of cash from it, whether in local or foreign currency, in an amount equivalent to at least NIS 50,000;
 - (2) a cash transaction that is not performed in any customer account, including a deposit of cash for the purposes of transferring it abroad or withdrawal of cash received from abroad, other than through an account, whether in local or foreign currency, in an amount equivalent to at least NIS 50,000, and a deposit of cash or withdrawal of cash as above in an amount equivalent to at least NIS 5,000 performed vis-à-vis a financial institution in a country or territory specified in the Fourth Schedule;
 - (3) the exchange of banknotes and coins, for cash, including conversion, whether in local or foreign currency, in an amount equivalent to at least NIS 50,000;
 - (4) the issue of a bank check, whether in local or foreign currency, in an amount equivalent to at least NIS 200,000, excluding a bank check in an amount up to NIS 1,000,000 issued against a housing loan;

- (5) The purchase or sale of travelers' checks or bill to bearer of a financial institution abroad in an amount equivalent to at least NIS 50,000; if the financial institution is in a country or territory specified in the Fourth Schedule, the banking corporation shall report the said transaction if it is in an amount equivalent to at least NIS 5,000;
 - (6) the deposit of checks drawn on a financial institution abroad and payment of checks presented for payment by a financial institution abroad in an amount equivalent to at least NIS 1,000,000; if the financial institution is in a country or territory specified in the Fourth Schedule, the banking corporation shall report the said transaction if it is in an amount equivalent to at least NIS 5,000;
 - (7) the transfer from Israel to abroad or from abroad to Israel through an account, in an amount equivalent to at least NIS 1,000,000; in the case of a transfer to or from a country or territory specified in the Fourth Schedule, or a transfer to or from a correspondent account of a financial institution in a country or territory specified in the Fourth Schedule, the banking corporation shall report the said transaction if it is in an amount equivalent to at least NIS 5,000.
- (b) The provisions of Subsections (a)(2), (5), (6) and (7) herein shall not apply to a transaction performed by a banking corporation on behalf of another banking corporation, the Postal Bank or their customers, or a member of the stock exchange, even if the transaction was carried out for their customers.

Additional reports

9. (a) A banking corporation shall report to the competent authority an unusual transaction by a service recipient; in this section—

"transaction"—includes an attempt to conduct a transaction

"service recipient"—includes one who attempted to receive service

"unusual transaction"—a transaction for which, in view of the information in the banking corporation's possession, suspicion is raised that it is related to

activity prohibited under the Prohibition on Money Laundering Law or the Prohibition on Financing Terrorism Law.

- (b) Without prejudice to the generality of the provisions of Subsection (a) herein, any of the transactions listed in the Second Schedule may be deemed unusual transactions:
- (b1) A banking corporation shall report to the competent authority a transaction by a service recipient, which it has reported to the Israel Police in accordance with Section 6(a)(1) of the Law or in accordance with Section 10(a) of the Prohibition on Financing Terrorism Law.
- (c) Reporting a transaction pursuant to Section 8 does not provide exemption from the obligation to report pursuant to this section.

Exemption from reporting requirement

10. A banking corporation shall be exempt from reporting pursuant to Section 8 -

- (1) if the transaction was performed by one of the following:
 - (a) a public institution;
 - (b) a banking corporation;
 - (c) the Postal Bank;
 - (d) an insurer;
 - (e) a member of the stock exchange;
 - (f) a provident fund and a managing company on behalf of a provident fund under its management;
 - (g) a fund;
- (2) a transaction pursuant to Section 8(a)(7), effected in respect of import or export of goods to and from Israel, excluding from or to a country or territory specified in the Fourth Schedule provided that the banking corporation obtained documentation in respect of the nature of the transaction, the identity of the counterparty and the amount of the transaction; in this respect a declaration by the account holder bearing an original signature that he is an importer or exporter and a declaration bearing an original signature in respect of the nature and amount of the transaction or a declaration in advance, bearing

an original signature, renewable every twelve months, in respect of the nature of the transactions and the identity of the counterparty may be deemed documentation;

Particulars in the report

11. A report pursuant to Sections 8 and 9 shall include the following particulars:

- (1) in respect of the account to which the report refers, if the reported transaction was performed in an account of an account holder —
 - (a) the account number, with regard to a payment card and with regard to an account by force of the contractual agreement to clear transactions or discount transactions conducted via payment card, also the current account number in the banking corporation against which the calculation is performed in respect of the payment card activity, if it exists;
 - (b) the name of the account, if any;
 - (b1) the date the account was opened;
 - (c) postal address;
- (2) in respect of the reported transaction—
 - (a) the number of the banking corporation and the number of the branch;
 - (b) the date the transaction was performed as recorded in the banking corporation's books;
 - (c) the amount of the transaction in terms of NIS; for a transaction in foreign currency, the amount of the transaction shall be calculated according to the latest Bank of Israel's published representative exchange rate known on the date the transaction is recorded;
 - (d) the foreign currencies in which the transaction was performed, and the amount in each currency, up to two currencies;
 - (e) the serial number of the report;
 - (f) with regard to a report pursuant to Subsections 8(a)(2), (6) and (7)—also the particulars of the account of the counterparty to the transaction, name and address of the account holder of the counterparty to the transaction, but if the transaction is vis-à-vis a financial institution in a country or

- territory specified in the Fourth Schedule—the name of the counterparty's financial institution, the name of the account holder of the counterparty to the transaction as provided and identity number if provided; for a transaction vis-à-vis a financial institution in the Palestinian Authority—also the identity number of the counterparty to the transaction, as provided;
- (g) type of transaction in the report pursuant to Section 8—as set forth in the Third Schedule;
 - (h) the reason for the report pursuant to Section 9, including a description of the transaction which led to the report.
- (3) in respect of the account holders and also in respect of the authorized signatories, if any, and in a report pursuant to Subsections 8(a)(1) to (6) and Section 9, also in respect of the person performing the transaction if he is not the account holder or authorized signatory, and with regard to a person attempting to receive service, to the extent the particulars are known—
- (a) name;
 - (b) identity number;
 - (c) address;
 - (d) up to two telephone numbers, if known, except for a person performing a transaction who is not the account holder or an authorized signatory;
 - (e) date of birth for an individual, and date incorporated for a corporation;
 - (f) sex, in the case of an individual;
 - (g) the customer's status (resident/foreign resident/Israeli corporation/foreign corporation);
- (4) In respect of beneficiaries and holders of controlling interests, if any, the particulars required in sections 2(b) and 2(c).

Prohibiting discovery and document inspection

12. Disclosure of the formulation, existence, nonexistence or contents of a report pursuant to Section 9, and of the existence of a complementary report pursuant to Section 31(c) of the Law, the existence of a request for the said report or the contents on one of these, and allowing the inspection of documents attesting to a

report as aforesaid is prohibited, except to someone duly authorized to be privy to such information for purposes of fulfilling his function in the banking corporation, the Supervisor or someone he authorized, the competent authority or pursuant to a court order.

13. Repealed.

Part Three (A): Checking identification particulars against the List

Obligation to check against the List

13a. A banking corporation shall check against the List

- (1) if it contains the name or identity number of an account holder, authorized signatory, beneficiary and holder of a controlling interest, in all the accounts managed in the corporation; to remove any doubt, the said check shall be carried out whenever an organization or person is added to the List or whenever an account holder, authorized signatory, beneficiary and holder of a controlling interest is added to an account;
- (2) if the name of the person performing the transaction as specified in Section 2(f) and (g) appears in the List;
- (3) if the names of parties to the transaction, excluding those specified in Subsection (1), appear in the List; for this purpose, a “transaction” means any of the following:
 - (a) an electronic transfer via SWIFT from Israel to abroad or from abroad to Israel or whose source and destination are not in Israel but which is executed through Israel;
 - (b) a transfer from Israel to a country or territory specified in the Fourth Schedule, including payment of a check presented by a financial institution in a country or territory specified in the Fourth Schedule; for the purpose of this sub-subsection, the person registered as the account holder in the electronic record that the financial institution attached to the presentation of the check is the payee.

- (c) a transfer from a country or territory specified in the Fourth Schedule, including by means of payment of a check drawn on a financial institution in a country or territory specified in the Fourth Schedule, in an amount equivalent to at least NIS 5,000.
- (4) That stated in Paragraph (3) shall not apply to transfers as stated in subparagraphs (b) and (c) therein, if the banking corporation has received the instruction to make the transfer from a public institution, another banking corporation or the Postal Bank, whether on their behalf or on behalf of their customers, or where the destination of the transfer is a public institution or banking corporation, whether on its behalf or on behalf of its customers.

Part Four: Miscellaneous

Management and retention of records

- 14. (a) A banking corporation shall maintain a computerized database of account numbers, identification particulars of account holders, authorized signatories, beneficiaries and holders of controlling interests.
 - (a1) A banking corporation shall maintain a computerized database of transactions that are not registered in any account belonging to an account holder as stated in Section 2(f) and (g); the database shall include the details of the transaction, including the number of the branch in which the transaction was executed, the date the transaction was executed, the type of transaction, and the amount and currency of the transaction, as well as the identification details of the person executing the transaction and of its beneficiary, insofar as the banking corporation is obligated to obtain them from the person executing the transaction; the banking corporation shall keep these details for a period of at least seven years from the date the transaction is recorded in its books.
 - (b) A banking corporation shall keep the instruction document for executing the transaction for a period of at least seven years from the date the transaction is

recorded in the banking corporation's books or for a longer period if required to do so by the Supervisor of Banks in certain cases where the instruction document for executing the transaction is required for investigation purposes or for supervision of the fulfillment of the provisions of the Law. Keeping the instruction document for executing the transaction may be accomplished via a computerized scan under conditions detailed in Regulation 3a of the Testimony Regulations, provided that such a document does not include records made in the handwriting of the person executing the transaction, including his signature. In the absence of an instruction document for the execution of a transaction, the banking corporation shall keep the automated record testifying to the issuing of an instruction to execute the transaction.

Limitation of applicability

15. (a) The provisions of Part Two shall not apply to an overseas branch of a banking corporation to which identification and authentication requirements regarding the prevention of money laundering and the prevention of the financing of terrorism apply.
- (b) The provisions of Part Three and Section 14 shall not apply to an overseas branch of a banking corporation.

Commencement date

16. This Order shall be effective from the date determined by the Minister of Justice as per Section 35 of the Law, or one year from the publication date of this Order, whichever is the later.

Transitional provisions

17. (a) From 18 months after this Order comes into force, the banking corporation shall not carry out any transaction in accounts that were opened prior to the commencement of this Order, unless the provisions of Sections 2 and 3 and 5a, as relevant, have been fulfilled, except for the withdrawal of the existing balance and closure of the account, and repayment of debts; in an account of a

resident and a company registered in Israel, examining the identification particulars vis-à-vis the appropriate registers shall be deemed authentication pursuant to Section 3.

In this context, a transaction is one initiated by a customer after 19 Av, 5763 (17 August, 2003).

- (b) Subsection (a) herein notwithstanding, non-receipt of the account-holder's declaration stating whether he is acting on his own behalf or on behalf of another, and non-receipt of an additional identity certificate in the case of a foreign resident shall not be deemed non-fulfillment of the provisions of Sections 2 and 3, provided the banking corporation took steps to obtain the said declaration.
- (c) Subsection (a) herein shall not apply to an account whose holder is in a country in which he cannot be contacted due to the state of relations between Israel and that country. In this case the banking corporation shall make a reasonable effort to complete the missing identification particulars as soon as possible.

First Schedule

(Sections 4(c), 5(a)(6) and 5(a)(7))

Form of Declaration regarding Beneficiaries and Holders of Controlling Interests

I..... (full name), bearer of ID no..... hereby declare that regarding account no.

- ☐ There is no beneficiary with rights in the account apart from the account holders.
- ☐ In a transaction not performed within the framework of any customer account, there is no beneficiary other than the person performing the transaction.
- ☐ The account is that of an attorney holding a license to practice law in Israel, rabbinical pleader or accountant and is operated on behalf of his clients, and the balance in the account at the end of every business day will not exceed NIS 300,000, and no transaction in the account will exceed NIS 100,000; this is my only account of this type.*
- ☐ The account is an account managed by a person who has been appointed by a court, a religious court, the chief of the execution office, the registrar of inheritance matters or another official body of the State as determined by the Supervisor of Banks. The supporting reference is attached.
- ☐ The account is managed for communal purposes for the benefit of a large or undefined group of beneficiaries, and the balance in the account at the end of every business day, and each transaction in the account, will not exceed NIS 50,000;*
The purpose of the account is _____
- ☐ The account is managed for communal purposes for the benefit of a large or undefined group of beneficiaries (subject to the granting of approval by the

person responsible for the fulfilment of obligations pursuant to Section 8 of the Law);*

The purpose of the account is _____

- ☐ There is a beneficiary with the said rights, but identification particulars are not known yet,

because _____

I hereby undertake to provide the particulars of the beneficiary as soon as his identity becomes known.

- ☐ The beneficiaries in the account are:

Name	Identification No.**	Date of Birth/Incorporation	Sex
_____	_____	_____	_____
_____	_____	_____	_____

- ☐ There is no holder of the controlling interests in the corporation.

- ☐ The holders of the controlling interests in the corporation are:

Name	Identification No.**	Date of Birth/Incorporation	Sex
_____	_____	_____	_____
_____	_____	_____	_____

I hereby undertake to notify the banking corporation in writing as soon as possible of any change in the particulars I have given above. I am aware that providing false information, including the failure to provide an update of any particular that must be reported, with the intention that it be not reported or that the report be incorrect pursuant to Section 7 of the Law, constitutes a criminal offense.

Signature_____

Date _____

- * Effective from 1.4.04.
- ** Including the name of the country in which the identification certificate was issued.

Second Schedule

(Section 9(b))

Transactions that may be Deemed Unusual Activity

- (1) Activity which appears to have been performed in order to circumvent the reporting requirement pursuant to Section 8;
- (1a) Activity whose purpose appears to be to circumvent the identification requirements;
- (2) It appears that there is a beneficiary in the account without the account holder having made such declaration;
- (3) A transaction that resulted in the banking corporation's decision to close the account for reasons of the Prohibition on Money Laundering or the Prohibition of Financing Terrorism;
- (4) Activity that appears intended to replace that of an organization declared an unlawful association under Regulation 84 of the Defense (Emergency) Regulations, 1945¹⁰ or an organization declared as terrorist under the Prevention of Terrorism Ordinance, 5708-1948¹¹ or an organization designated a terrorist organization pursuant to Section 2 of the Prohibition on Financing Terrorism Law;
- (4a) Activity that appears intended to replace activity by a person designated a terrorist pursuant to Section 2 of the Prohibition on Financing Terrorism Law;

¹⁰ *Itton Rishmi (Official Gazette)*, 1945, *Supp. 2*, p. 855; *Sefer Ha-Chukkim* 5742, p. 173.

¹¹ *Itton Rishmi (Official Gazette)*, 5708, *Supp. A*, p. 73; *Sefer Ha-Chukkim* 5762, p. 411.

- (5) Frequent use of a safety deposit box at the banking corporation by a large number of people without an apparent reason;
- (6) Activity that appears to lack economic or commercial logic, relative to the type of account or to the account holder's behavior patterns;
- (7) A transaction in an account involving a significant sum by a person holding power of attorney who is not registered in the account as an authorized signatory;
- (8) A number of transactions in an account in which, for no apparent reason, monies and securities are withdrawn close to the time they were deposited, other than in the ordinary course of business;
- (9) Transfers of substantial amounts from Israel abroad and vice versa, where the counterparty to the transaction, whether the source or recipient, is not identified by name or account number;
- (10) A transaction in the account atypical for the account holder or the type of account, without apparent reason;
- (11) Transactions of exceptional number or size or a significant change in the balance in an account, without apparent reason;
- (12) A number of transactions in an account involving the same recipient or the same source, without apparent reason;
- (13) Numerous deposits, without apparent reason, by a person who is not the account holder, nor an authorized signatory;
- (14) The absence of linkage between the borrower and the collateral posted against credit of a significant amount;

- (15) Management of several accounts in a banking corporation that is inconsistent with the account holder's activity;
- (16) Frequent purchases of cash, travelers' checks, bearer bills, payment cards or other means of payment, including Internet-based means of payment, at high frequency or of significant volume;
- (17) Current transfers or transactions via payment cards of significant volume from entities in a country or territory specified in the Fourth Schedule or to such entities;
- (18) A declaration made as per this Order, that appears to be incorrect;
- (19) Activity of a nonprofit organization with entities in a country or territory specified in the Fourth Schedule or a territory that does not have legislation regarding the prevention of money laundering and the prevention of financing terrorism pursuant to the guidelines of the Supervisor of Banks;
- (20) Activity of a nonprofit organization that is not consistent with the activities of the organization, as far as the banking corporation knows;
- (21) A multiplicity of credits via standing orders without any apparent reason;
- (22) A credit to a debit-card account or a multiplicity of credits, in substantial amounts, without any apparent reason.

Third Schedule
(Subsection 11(2)(g))

Type of Transaction for Report

No.	Transaction
1.	Deposit of cash in NIS in an account
2.	Deposit of cash in foreign currency in an account
3.	Withdrawal of cash in NIS from an account
4.	Withdrawal of cash in foreign currency from an account
5.	Withdrawal of cash other than through an account, (except for the transactions specified in items 6 and 7)
5a.	The deposit of cash other than through an account, excluding the transactions specified in items 6 and 7.
6.	Deposit and transfer abroad of cash other than through an account, except for the transactions detailed in item 20 below
7.	Withdrawal of cash originating abroad other than through an account, except for the transactions detailed in item 21 below
8.	Exchanging banknotes and coins in NIS
9.	Exchanging banknotes and coins in foreign currency
10.	Converting banknotes and coins in NIS into a foreign currency
11.	Converting foreign-currency banknotes and coins into NIS
12.	Issuing a bank check in NIS
13.	Issuing a bank check in a foreign currency
14.	Purchasing travellers' checks or bearer bills of a financial institution abroad, except for the transactions detailed in item 22 below
15.	Depositing checks drawn on a financial institution abroad, except for the transactions detailed in item 23 below
16.	International transfer from Israel to abroad through an account, except for the transactions detailed in item 24 below

No.	Transaction
17.	International transfer from abroad to Israel through an account, except for the transactions detailed in item 25 below
18.	Payment of checks presented by a financial institution from abroad, except for the transactions detailed in item 26 below
19.	Sale of travellers checks
20.	Depositing cash and transferring it to a country or territory specified in the Fourth Schedule not via an account
21.	Withdrawing cash the source of which is a country or territory specified in the Fourth Schedule, not via an account
22.	Purchasing travellers checks or bearer bills of a financial institution of a country or territory specified in the Fourth Schedule
23.	Depositing checks drawn on a financial institution of a country or territory specified in the Fourth Schedule
24.	An international transfer from Israel to a country or territory specified in the Fourth Schedule via an account
25.	An international transfer to Israel from a country or territory specified in the Fourth Schedule via an account
26.	Payment of checks presented for collection by a financial institution of a country or territory specified in the Fourth Schedule

Fourth Schedule

(Subsections 1, 8(a)(2), (5), (6) and (7), 10(2), 11(2)(f), 13a(3) and the Second and Third Schedules)

List of Countries and Territories

1. A country or territory as shall be determined by the head of the competent authority from a list of countries or territories regarding which the FATF organization has published reservations concerning the fulfillment of the organization's recommendations regarding the prohibition of money laundering and financing of terrorism; the head of the competent authority, with the agreement of the Supervisor of Banks, is permitted to determine that all or some of Sections 8(2), (6) and (7) and 11(2)(f) of this Order, shall not apply regarding some of the countries and territories on such a list. Such determinations shall be published on the website of the competent authority;
2. The following countries or territories: Lebanon, Egypt, Syria, Saudi Arabia, the Kingdom of Jordan, Iraq, Yemen, Iran, Algeria, Afghanistan, the Palestinian Authority, Libya, the United Arab Emirates, Malaysia, Morocco, Sudan, Somalia, Pakistan, Tunisia.

Transitional provisions to Prohibition on Money Laundering (The Banking Corporations' Requirements regarding Identification, Reporting, and Record-Keeping) Order (Amendment), 5767-2006

- (a) From eighteen months after the commencement date of Section 3(9) in Money Laundering (The Banking Corporations' Requirement regarding Identification, Reporting, and Record-Keeping) Order (Amendment), 5767-2006, a banking corporation shall not perform any action in accounts opened under an agreement to clear transactions carried out via payment cards before the commencement date of Section 3(9) in Amendment 5767-2006, unless the provisions of Sections 2 and 3 of the main Order have been fulfilled, except for credit for transactions performed up to eighteen months from the

commencement date of Section 3(9) in Amendment 5767-2006; in the said accounts of a resident and of a company registered in Israel, checking the identification particulars against the appropriate registers shall be deemed authentication according to Section 3 of the main Order.

- (b) Subsection (a) herein notwithstanding, non-receipt of the account-holder's declaration stating whether he is acting on his own behalf or on behalf of another, and non-receipt of an additional identity certificate in the case of a foreign resident shall not be deemed non-fulfillment of the provisions of Sections 2 and 3 of the Order, provided the banking corporation took steps to obtain the said declaration.
- (c) From nine months after the commencement date of Section 3(9) to Amendment 5767-2006, a banking corporation shall not hand over a debit card unless the provisions of Sections 2, 3, and 6(a) in the Order have been fulfilled; in this regard, non-receipt of a copy of an identity certificate as stated in Section 6(a)(2) shall not be deemed nonfulfillment of the provisions of said sections.

16 January 2001

David Klein
Governor of the Bank of Israel