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## **Account Information Service Law, 5782-2021**

### **Chapter A: Definitions**

#### **Definitions**

1. In this law –

“Information security” – as defined in Section 7 of the Privacy Protection Law;

“Collection” of account information - accessing account information held by another party that is an information source, through an Account Information Interface System; obtaining such information; and holding such information, whether or not such obtaining and holding is performed through that system.

“Authorization to provide an account information service” “Authorization” – authorization by a regulator to engage in the provision of an account information service that are provided under Article D of Chapter B;

“Means of control”, “Stock exchange”, “Equity”, “Holding” of means of control, “Senior Officer,” and “Control” - as defined in The Securities Law;

“Bank” – has the meaning given the term in The Banking Law (Licensing);

“Holder of a license to operate a credit intermediary system” – a party that holds a license to operate a credit intermediary system, as defined in The Supervision of Regulated Financial Services Law;

“Holder of a license to grant credit” – a party that holds a license to grant credit, as defined in The Supervision of Regulated Financial Services Law;

“Holder of a license to provide deposit and credit services” - a party that holds a license to provide deposit and credit services, as defined in The Supervision of Regulated Financial Services Law;

“Holder of portfolio management license” – a party that holds a portfolio management license under The Investment Advice Law;

“Institutional entity” – as defined in The Supervision of Insurance Law;

“Financial entity” – any of the following:

- (1) a bank;
- (2) an auxiliary corporation;
- (3) a clearing institution;
- (4) an institutional entity;
- (5) a holder of a license to provide deposit and credit services;
- (6) a holder of a license to provide credit;
- (7) a holder of a license to operate a credit intermediary system;
- (8) a holder of a portfolio management license;
- (9) a stock exchange member;
- (10) Any other entity defined under Section 68(a);

“Regulatory directives” - as listed below, as relevant:

- (1) With respect to the Supervisor of the Banks – directives issued under Section 5(C1) of The Banking Ordinance;
- (2) With respect to the Supervisor of Financial Service Providers – directives issued under Section 4(a) of The Supervision of Regulated Financial Services Law;
- (3) With respect to the Capital Market, Insurance and Savings Commissioner –
  - (a) For insurers – directives issued under Section 2(b) of The Supervision of Insurance Law;
  - (b) For managing companies – directives issued under Section 39(b)1) of The Supervision of Provident Funds Law;
- (4) With respect to the Israel Securities Authority –
  - (a) For holders of a portfolio management license – directives issued under Section 28 of The Investment Advice Law;
  - (b) For holders of a license under this law – directives issued under Section 62(b);
- (5) With respect to the Commissioner of Credit Data Sharing – directives issued under Section 68 of The Credit Data Law;
- (6) With respect to the regulator stated in paragraph (2)(e) of the definition of “Service provider regulator”, as stated in paragraph (4) of the definition of “Information source regulator” or as stated in paragraph (5) of the definition of “financial entity regulator” – directives as stated in the First Addendum;

“Low-volume operations,” with respect to an information source – as listed below, as relevant;

- (1) With respect to a bank – an asset value that does not exceed 5% of the total asset value of all banks in Israel or another percentage of such asset value as determined by the Governor of the Bank of Israel under Section 69(a)(1); For this purpose, the “asset value” of a bank – is the value of the bank’s assets that appears in the bank’s balance sheet in its most recent consolidated annual financial statements drafted according to applicable generally accepted accounting principles;
- (2) With respect to a non-bank information source that is supervised by the Bank of Israel – a volume of activity that is lower than the volume of activity determined by the Governor under Section 69(a)(2);
- (3) With respect to an information source that holds a license to grant credit or a license to operate a credit intermediary system – total credit does not exceed NIS 250 million or

any other amount determined by the Minister under Section 69(b)(1); With respect to an information source that is a holder of a license to provide deposit and credit services – the total deposits or credit does not exceed the abovementioned sum or any other amount determined by the Minister under Section 69(b)(2); For this purpose, “total credit” – as this term is defined in Sections 11A, 25A, and 25Q of the Supervision of Regulated Financial Services, as relevant, and “total deposits” – as this term is defined in Section 25A of the aforementioned law;

- (4) With respect to an information source not listed in paragraphs (1) to (3) above – a volume of activity that is lower than the scope of activity determined by the Minister under Section 69(c).

“Control permit” – a permit to control a licensee, issued under Section 9;

“Access permission” – as the meaning of this term in Section 40(a);

“Cost comparison” – a comparison of prices, costs, including interest rates and fees or returns with respect to a financial product or service;

. “Economic Affairs Committee” - Economic Affairs Committee of the Knesset

“Stock exchange member” – as this term is defined in The Securities Law, excluding a banking corporation;

“Managing company” – as this term is defined in The Supervision of Provident Funds Law;

“The Banking Law (Licensing)” – Banking Law (Licensing) 5741-1981;<sup>1</sup>

“The Banking Law (Service to Customers)” – Banking Law (Service to Customers) 5741-1981;<sup>2</sup>

“The Privacy Protection Law” – Privacy Protection Law 5741-1981;<sup>3</sup>

“The Companies Law” – Companies Law 5759-1999;<sup>4</sup>

“The Investment Advice Law” - Regulation of Investment Advice, Investment Marketing and Investment Portfolio Management Law 5755-1995;<sup>5</sup>

“The Advice, Marketing, and Pension Settlement System Law” – Supervision of Financial Services Law (Advice, Marketing, and Pension Settlement System) 5765-2005;<sup>6</sup>

“The Penal Law” – Penal Law 5737-1977; <sup>7</sup>

“The Supervision of Insurance Law” – Supervision of Financial Services Law (Insurance) 5741-1981;<sup>8</sup>

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<sup>1</sup> Book of Laws 5741, p. 232.

<sup>2</sup> Book of Laws 5741, p. 258.

<sup>3</sup> Book of Laws 5741, p. 128.

<sup>4</sup> Book of Laws 5759, p. 189.

<sup>5</sup> Book of Laws 5755, p. 416.

<sup>6</sup> Book of Laws 5765, p. 918.

<sup>7</sup> Book of Laws 5737, p. 226.

<sup>8</sup> Book of Laws 5741, p. 208.

“The Supervision of Provident Funds Law” – Supervision of Financial Services Law (Provident Funds) 5765-2005;<sup>9</sup>

“The Supervision of Regulated Financial Services Law” – Supervision of Financial Services (Regulated Financial Services) Law 5776-2016;<sup>10</sup>

“The Securities Law” – Securities Law 5728-1968;<sup>11</sup>

“The Credit Data Law” – Credit Data Law 5776-2016;<sup>12</sup>

“The Payment Services Law” – Payment Services Law 5779-2019;<sup>13</sup>

“Joint account” – an account administered by an information source regarding which the information source has records of more than one account holder;

“Investment adviser” – as this term is defined in The Investment Advice Law;

“Pension adviser” – as this term is defined in The Advice, Marketing and Pension Clearing System Law;

“Customer” of a service provider or an information source – a person who receives an account information service from the service provider or receives a service from an information source, as relevant;

“Credit Bureau” and “Dealers information bureau” – as defined in the Credit Data Law.

“Regulator” of an entity engaged in the field of finance – whoever is duly vested with the authority to supervise that entity’s financial activities;

“the financial entity’s regulator” – a regulator of the following financial entities, as relevant:

- (1) With respect to a bank, a clearing institution, and an auxiliary corporation – the Supervisor of Banks;
- (2) With respect to an institutional entity – The Capital Market, Insurance, and Savings Commissioner;
- (3) With respect to a holder of a license to provide deposit and credit services, a holder of a license to grant credit, and a holder of a license to operate a credit intermediary system – The Supervisor of Financial Service Providers;
- (4) With respect to a holder of a portfolio management license – the ISA;
- (5) With respect to another entity determined according to paragraph (10) of the definition of a financial entity – the regulator of such entity;

“the information source’s regulator” – a regulator of the following information sources, as relevant:

- (1) With respect to a bank, a clearing institution, and an auxiliary corporation – the Supervisor of Banks;

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<sup>9</sup> Book of Laws 5765, p. 889.

<sup>10</sup> Book of Laws 5776, p. 1098.

<sup>11</sup> Book of Laws 5728, p. 234.

<sup>12</sup> Book of Laws 5766, p. 838.

<sup>13</sup> Book of Laws 5779, p. 201.

- (2) With respect to an institutional entity – The Capital Market, Insurance, and Savings Commissioner;
- (3) With respect to a holder of a license to provide deposit and credit services, a holder of a license to grant credit, and a holder of a license to operate a credit intermediary system – The Supervisor of Financial Service Providers;
- (4) With respect to any other entity determined according to paragraph (8) of the definition of an information source – the regulator of such entity;

“the Service Provider’s Regulator” – a regulator of the following service providers, as relevant:

- (1) In the matter of a license holder to provide account information service – the ISA;
- (2) In the matter of an entity authorized to provide account information services – the following, as relevant:
  - (a) With respect to a bank, a clearing institution, and an auxiliary corporation – the Supervisor of Banks;
  - (b) With respect to an institutional entity – the Capital Market Insurance and Savings Commissioner;
  - (c) With respect to a holder of a license to provide deposit and credit services, a holder of a license to grant credit, and a holder of a license to operate a credit intermediary system – The Supervisor of Financial Service Providers;
  - (d) With respect to credit bureaus and dealer information bureaus – the Credit Data Sharing Commissioner;
  - (e) With respect to any other entity determined according Section 2(c) – the regulator of each such entity;

“Insurer” – as defined in The Supervision of Insurance Law;

“Financial product” “Financial service” – a product or service, as the case may be, provided by an entity engaged in the field of finance, as part of its business;

“Account information” – information held by an information source about a customer’s financial activities with that information source, excluding information created by the information source on the basis of an analysis of said information;

“Unidentifiable information” – information other than identifiable information;

“Identifiable information” – information that includes an identifying detail about a customer or information from which a customer’s identifying detail was removed yet the customer is identifiable with reasonable effort, including by cross-checking the information with other information that is available to the entity that holds said information or with information that is available to the general public; For this purpose, “an identifying detail” — is first name, surname, identity card number, and any other information that can directly or indirectly lead to the identification of a specific customer;

“Investment marketer” – as defined in The Investment Advice Law;

“Representative” – any of the following:

- (1) an accountant as defined in The Accountants Law 5716-1955;<sup>14</sup>
- (2) a representative tax consultant, as this term is defined in the Regulation of Representation by Tax Consultants Law 5765-2005;<sup>15</sup>
- (3) any other entity determined under Section 68(b);

“The Capital Market Insurance and Savings Commissioner” – The Commissioner of the Capital Market, Insurance, and Savings Authority, appointed under Section 2 of The Supervision of Insurance Law;

“The Credit Data Sharing Commissioner” – The Commissioner of Credit Data Sharing appointed under Section 66 of The Credit Data Law;

“Account Information Interface System” – a secured online system through which an information source is obligated to grant access to financial information in its possession under Section 39, whose features are described in the Second Addendum;

“The Supervisor of Banks” – The Supervisor of Banks appointed under Section 5 of The Banking Ordinance;

“The Supervision of Financial Service Providers” – The Supervisor of financial service providers appointed under Section 2 of The Supervision of Regulated Financial Services;

“Online” – through the internet or other technological means determined by the Minister under Section 70(c);

“Information source” – any of the following:

- (1) a bank;
- (2) an clearing institution;
- (3) an auxiliary corporation;
- (4) an institutional entity;
- (5) a holder of a license to provide deposit and credit services;
- (6) a holder of a license to grant credit;
- (7) a holder of a license to operate a credit intermediary system;
- (8) any other entity determined under Section 68(c);

“Investment marketer” – as this term is defined in The Investment Advice Law;

“The Governor” – the Governor of the Bank of Israel;

“Account information service provider” or “AISP” or “service provider” – a holder of a license or authorization to provide an account information service;

“Insurance agent” – as this term is defined in The Supervision of Insurance Law;

“Pension agent” – as this term is defined in The Advice, Marketing, and Pension Settlement System Law;

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<sup>14</sup> Book of Laws 5715, p. 26.

<sup>15</sup> Book of Laws 5765, p. 114.

“clearing institution” – as this term is defined in Section 36I of The Banking Law (Licensing);

“Information baskets” in the matter of any information source – the types of financial information listed in the Third Addendum with respect to that information source;

“The Banking Ordinance” – the Banking Ordinance 1941;<sup>16</sup>

“Account information service provider license,” “License” – a license to engage in account information service issued by the ISA under Article B, Chapter B;

“ISA” – the Israel Securities Authority;

“Account information service” – any of the following:

- (1) Collection of account information and its transfer to another party;
- (2) Collection of account information and its online use by the party that collected the information;
- (3) Online use of account information collected by another party and transferred to the user, as stated in paragraph (1);

“Banking corporation” – as defined in The Banking Law (Service to Customer), excluding a joint service company, in its meaning in the aforesaid law;

“Auxiliary corporation” – as this term is defined in The Banking Law (Licensing);

“Intermediation” – transferring information from a service provider to a financial entity pursuant to the provisions of Section 29(a)(1) in order to obtain an offer on behalf of said entity for an agreement with the customer, and the transfer of such offer to the customer, whether or not the service provider assists the customer in entering into an agreement with said entity;

“Stock exchange rules” - in their meaning in Section 46 of the Securities Law;

"The Minster" - Minster of Finance.

## **Chapter B: Licensing**

### **Article A: Requirement of License or Authorization**

#### **Requirement of license or authorization**

2.

- (a) A person who is not listed in subsection (b) shall not provide an account information service without a license issued by the ISA according to the provisions of Article B and pursuant to the conditions of the license and directives issued under this law.
- (b) An information source listed in paragraphs (1) to (7) of the definition of "Information source", credit bureau, or information providers bureau shall not provide an account information service without authorization by the regulator of the source of information or the Credit Data Sharing Commissioner, as relevant, under the provisions of Article D, and pursuant to the conditions of the authorization and the directives issued under this law.

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<sup>16</sup> Official Gazette 1941, Add. 1, p. 69(Heb) (85)(Eng).

- (c) Notwithstanding the provisions of subsections (a) and (b), the Minister, with approval of the Economic Affairs Committee, may determine that the licensing requirement under subsection (a) will not apply to additional types of entities engaged in the field of finance and whose financial operations are supervised by law, and the authorization requirement under subsection (b) will apply to them; Regulations under this subsection will be enacted at the suggestion of or in consultation with the regulator of the entity so determined, with the consent of the Minister of Justice and in consultation with the ISA; and with respect to an entity supervised by the Bank of Israel – at the suggestion or with the consent of the Governor, with the consent of the Minister of Justice, and in consultation with the ISA.

**Exemption from license and from authorization**

3.

- (a) Notwithstanding the provisions of Section 2, a financial entity, a representative, or any other entity determined under Section 29(f)(2)(b) that received account information from a service provider under the provisions of Section 29, is exempt from a license or authorization regarding the use of information for the purpose for which the information was transferred to it pursuant to the provisions of Section 29.
- (b) The Minister, with the consent of the Minister of Justice and the Governor, and in consultation with the ISA and with approval of the Economic Affairs Committee, may define additional entities that will be exempt from the licensing and authorization requirement under Section 2, in general or with respect to a specific service that they provide, as determines; In regulations enacted according to this subsection, the Minister may define conditions that apply to the service provision by the aforesaid exempt entity;

**Mark B: License Issued by the ISA**

**Conditions for granting a license**

4.

- (a) The ISA may issue a license to provide an account information service to an applicant in respect of which the following obtain:
- (1) It is a company as this term is defined in the Companies Law or it is registered as a foreign company under Section 346 of the Companies Law;
  - (2) Control of its businesses and their management take place in Israel, and if they do not take place in Israel — it is able to comply with all the instructions issued under this law, and such instructions are enforceable on it;
  - (3) It has the appropriate technical means to provide the account information service that it wishes to provide, and is skilled in their operation in a manner that ensures the credibility of the system through which the service will be rendered and compliance with the instructions issued under this law, including instruction related to privacy protection, information security, cyber security, and risk management.
  - (4) Its business plan and declaration of financial means, which are attached to its application under Section 5, attest to its ability to render the account information



service that it wishes to provide and to comply with the instructions issued under this law;

- (5) It meets the requirements regarding insurance, minimum equity or other collateral, as required of a license holder under Section 36(a);
  - (6) No court appointed a receiver to it or ordered its liquidation and the applicant did not decide on voluntary liquidation;
  - (7) If a controlling shareholder exists, it meets the conditions for a control permit under Section 9.
- (b) If the ISA finds the license applicant to be unsuitable for engaging in the provision of account information services, due to reasons of the public interest or reasons related to its trustworthiness, the trustworthiness of its controlling shareholder or the trustworthiness of a senior officer of the applicant or of the controlling shareholder thereof, the ISA may, in a written reasoned decision, decide not to issue a license to the applicant even if the applicant meets the conditions in subsection (a), provided the applicant was given an opportunity to present their arguments before the ISA or before any ISA employee authorized by the ISA for this purpose, in such manner as it directed;

#### Application for a license

5.

- (a) An application for a license must be submitted to the ISA. In the application, the applicant will specify the type of account information service in which it wishes to engage.
- (b) Documents that attest to compliance with the conditions for a license as stated in Section 4 must be attached to the license application, including a declaration of the applicant's financial means and business plan; The ISA will make rules and determine the details to be included in said declaration and business plan and may define additional details, documents, and reports that must be included in or attached to the application.
- (c) The Chairperson of the ISA or an ISA employee authorized for this purpose may demand of the license applicant details, documents, or reports in addition to those stated in subsections (a) and (b), if they believe that this is necessary to assess the fulfillment of any condition for issuing a license and deciding on the application.

#### Terms of the license and its conditions.

6.

- (a) The license will state, among other things, the type of account information service that the license holder is permitted to provide, and the ISA may define additional conditions in the license that will apply to the license holder.
- (b) The ISA may modify the terms that it determined in the license as stated in subsection (a), provided it notified the license holder of its reasoning and gave the license holder an opportunity to present their arguments before it or before any ISA employee that it authorized for this purpose, in such manner as it directed.

#### Revocation or suspension of a license

7.

- (a) The ISA may, in a reasoned decision made in writing, revoke or suspend a license for a period not to exceed one year or, for special reasons, for a period not to exceed five years, if it finds that one of the following takes place:
- (1) The license was granted on the basis of false or erroneous information;
  - (2) The license holder no longer meets a condition for the license as stated in Section 4(a) or violated a term of the license determined under Section 6;
  - (3) The license holder violated an instruction issued under this law;
  - (4) One of the circumstances in the list determined according to subsection (b), which is indicative of a flaw in the licensee's trustworthiness, exists; Such circumstances will be examined with respect to the license holder, the controlling shareholder thereof, a senior officer of the license holder and of its controlling shareholder;
  - (5) The public interest justifies the revocation or suspension of the license.
- (b) The ISA will determine a list of circumstances that are indicative of a flaw in a license holder's trustworthiness, the trustworthiness of the license holder's controlling shareholder, its senior officer or a senior officer of its controlling shareholder (in this subsection – "the List"); The List will be published on the ISA website and come into force 30 days after the publication date, however a change in the List will not apply to any pending proceeding according to subsection (a)(4); Notification of the publication of the List and any modification to it and to their commencement dates will be published in Reshumot.
- (c) If the Chairperson of the ISA believes that a flaw, as stated in subsection (a)(1) to (5), in respect of which the ISA may take steps as stated in said subsection, may be rectified, the Chairperson of the ISA may order the license holder to correct the flaw, and may order the manner and date of its correction; If the period elapsed and the flaw was not corrected to the satisfaction of the Chairperson of the ISA, the ISA may take steps as stated in subsection (a).
- (d) The ISA will not revoke or suspend a license as stated in subsection (a) without first having given the license holder an opportunity to present their arguments before it or before an ISA employee party authorized for this purpose, in such manner as it directed; However, the Chairperson of the ISA may suspend a license forthwith if special reasons that justify this exist, provided the license holder is given an opportunity to present their arguments before the ISA, as soon as possible after the suspension of the license and no later than 30 days from the date of said suspension.
- (e) If the ISA revoked or suspended a license under this section, it will publish a notice of this on the ISA website, and in the case of a suspension of a license – will also published the suspension period.

#### **Supervision of a party whose license was revoked or suspended**

8.

- (a) A party whose license was revoked or suspended is required to comply with all the directives that apply to a license holder under this law as long as the commitments given to customers before the revocation or suspension of the license remain in effect.
- (b) The Chairperson of the ISA or any ISA employee that it authorized for this purpose, may issue orders to a party whose license was revoked or suspended regarding the management of their business, to the extent that such orders are deemed necessary to protect the customers who entered into agreements with them before their license was revoked or suspended; Nothing in such

directives exempt any party whose license was revoked or suspended from their duty to fulfill the commitments they made before their license was revoked or suspended.

### **Mark C: Permit to Control a Licensee**

#### **Control permit**

9.

- (a) A person shall not have permit to control of a licensee without a control permit issued by the ISA.
- (b) The ISA may refuse to issue a control permit under this section only for the following reasons:
  - (1) An order to commence proceedings against the permit applicant under The Insolvency and Economic Rehabilitation Law 5778-2018<sup>17</sup> was issued or any of the following obtain, as relevant, with respect to the permit applicant:
    - (a) With respect to an applicant that is an individual – the applicant was declared to be legally incapacitated;
    - (b) With respect to an applicant that is a corporation – an order for its liquidation was issued or a receiver was appointed over its assets or a material share thereof due to an unpaid debt.
  - (2) For reasons related to the public interest or the trustworthiness of the permit applicant or its senior officer.
- (c) The provisions of subsection (a) will not apply to any party that became a controlling shareholder in a license holder as a result of a duly performed transfer of means of control.

#### **Transfer of means of control**

- 10. A holder of means of control in a license holder will not transfer it to a party that requires but does not have a control permit.

#### **Revocation of control permit**

- 11. (a) The ISA may revoke a control permit by written reasoned decision if it finds that any of the following obtain:
  - (1) The provisions of Section 9(b)(1) obtain;
  - (2) A condition listed in the List defined by the ISA under Section 7(b), which indicates a flaw in the trustworthiness of the permit holder or a senior officer thereof;
  - (3) Reasons grounded in the public interest justify the revocation of the permit.

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<sup>17</sup> Book of Laws 5778, p. 310.

(b) If the Chair of the ISA believes that a defect as stated in subsection (a)(1) to (3), due to which the ISA may revoke the control permit, can be corrected, the Chair of the ISA may order the license holder to correct the defect, and may order the manner and time of its correction; If the time ordered by the Chair of the ISA elapsed and the defect was not corrected to their satisfaction, the ISA may revoke the control permit.

**Directives to whoever operated without a control permit**

12.

- (a) If the Chairperson of the ISA sees that a person who is controlling shareholder in a license holder without a control permit, the Chairperson of the ISA may, after giving that person an opportunity to present their arguments, order –
- (1) the sale of the means of control that said person holds, either in entirety or in part, within such period as the Chair orders, so that the person will no longer be a controlling shareholder;
  - (2) that the voting rights or rights to appoint directors of a general manager under the means of control held by that person who does not have a control permit cannot be exercised;
  - (3) that any vote made under the means of control held by that person without a control permit will not be counted in the voting;
  - (4) revoking the appointment of any director or general manager that was caused by that person.
- (b) If a person is a controlling shareholder in a license holder as a result of transferred means of control, the ISA may, after giving that person an opportunity to present their arguments, order them to sell said means of control, either in entirety or in part, within such period as the ISA orders, so that that person is no longer a controlling shareholder.
- (c) If the ISA ordered the sale of means of control under the provisions of subsection (b), the ISA may issue orders stated in subsection (a)(2) to (4), with the necessary amendments.
- (d) If the controlling shareholder failed to sell the means of control as ordered by the Chairperson of the ISA or the ISA under subsection (a) or (b), the court may, at the ISA's request, appoint a receiver to sell said means of control.

**Article D:**

**Authorization by a Regulator**

**Conditions for authorization**

13.

- (a) In this Article, “regulator” – one of the following regulators, as relevant:
  - (1) With respect to an information source, as stated in paragraphs (1) to (7) of the definition of an “information source” – the information source’s regulator;
  - (2) With respect to a credit bureau and dealers information bureau – the Credit Data Sharing Commissioner;
  - (3) With respect to any other entity defined according to Section 2(c) – the regulator of that entity;
- (b) A regulator may grant authorization to an information source to provide an account information service as stated in paragraphs (1) to (7) of the definition of an “information source,” a credit bureau, dealers information bureau, or any other entity defined according to Section 2(c), as relevant, that requested such authorization, provided that the provisions of Section 4(a)(3) obtain with respect to them.
- (c) If a regulator finds that an authorization applicant is not suitable to engage in the provision of account information services due to reasons relating to the public interest, the regulator may, by a written reasoned decision, refuse to grant authorization to the applicant even if the condition stated in subsection (b) obtains with respect to it, only if the applicant was given an opportunity to present their arguments before the regulator or any ISA employee authorized by the regulator for this purpose, in such manner as it orders.

**Application for authorization**

14.

- (a) An application for authorization will be submitted to a regulator. In the application, the applicant will state the type of account information service in which they wish to engage.
- (b) Documents that attest to compliance with the conditions for authorization must be attached to the license application, including the applicant’s business plan; The regulator will define in regulatory instructions the details to be included in said business plan and may define in regulatory instructions additional details, documents, and reports that must be included in or attached to the application.
- (c) The regulator may demand of the authorization applicant details, documents, or reports in addition to those stated in subsections (a) and (b), if he believes that this is necessary to assess the fulfillment of any condition for deciding on the application.

**Details of the authorization and its terms**

- 15. The provisions of Section 6 will apply, with the necessary changes and with the following change:  
In lieu o: "the ISA" insert "the regulator".

**Revocation or suspension of a certificate**

16.

- (a) A regulator may revoke or suspend an authorization by a reasoned decision in writing if they find that one of the following obtains:

- (1) The authorization was granted on the basis of false or incorrect information;
  - (2) The authorization holder no longer meets the condition for authorization as stated in Section 13(b) or he violated a condition defined in the authorization under Section 15.
  - (3) The authorization holder violated a provision of this law or regulatory instructions;
  - (4) The regulator suspended the license to engage in the field of finance that was issued under a different law to the authorization holder; and with respect to an entity that is defined under Section 2(c) and is not such a license holder – the regulator placed limitations of their financial operations by law.
  - (5) Reasons related to the public interest justify the revocation or suspension of the authorization;
- (b) Suspension under subsection (a) will be for a period not to exceed one year, and for special reasons – for a period not to exceed five years; The provisions of this subsection will not apply to a suspension under subsection (a)(4).
- (c) The provisions of Section 7(d) will apply with respect to the revocation or suspension of an authorization, with the necessary changes, and with the following change: In lieu of "the ISA" and "Chair of the ISA" insert "the regulator".

**Supervision over parties whose authorization was canceled**

17. The provisions of Section 8 will apply, with the necessary changes, to a party whose authorization was revoked or suspended, and with the following change: In lieu of "the Chair of the ISA" insert "the regulator," and in lieu of "an ISA employee party authorized for this purpose" insert "an employee of the regulator who was authorized for this purpose."

**Article E: Miscellaneous Provisions**

**Foreign corporations**

- 18.
- (a) In this section, "foreign corporation" – a corporation incorporated outside Israel that is engaged in the provision of account information services outside Israel under foreign law that regulates its engagement in the provision of such services.
  - (b) Notwithstanding the provisions of Sections 4 and 9, the ISA may grant a license to a foreign company even if it does not meet the conditions listed in Section 4(a)(1), (4), (5), or (7), and may exempt a controlling shareholder of said corporation from the control permit requirement under Section 9, if the ISA is satisfied that the foreign law that regulates the foreign corporation's operations in providing account information services, and the supervision of its said operations provide an adequate solution to the matters that are regulated by the aforementioned sections, all while protecting the customers' interests, and after the ISA took the public interest into consideration.

#### **Service Providers Registry**

19.

- (a) The ISA will administer a registry of service providers, which will include the following:
  - (1) a list of license holders and their details;
  - (2) a list of authorization holders and their details, as transferred to the ISA by the regulator of each authorization holder.
- (b) The registry will include at least the following details:
  - (1) details of the service provider, including contact information;
  - (2) the type of account information service that the service provider may provide according to the license or the authorization;
  - (3) the identity of the service provider's regulator.
  - (4) information on a revocation or suspension of a license or authorization that was issued; and in the case of suspension – the period of the suspension.

#### **Obligation to notify the ISA, the license holder, and the control permit holder**

20.

- (a) A licensee and its controlling shareholder will notify the ISA immediately:
  - (1) If a condition for the license or control permit, as relevant, is no longer satisfied;
  - (2) If a condition exists in respect of which the ISA may revoke or suspend the license or revoke the control permit, as relevant, and in the case of assessing trustworthiness as stated in Section 7(a)(4) or 11(a)(2), they will notify the ISA of the existence of a circumstance listed in Section 27(c)(1) to (6) of The Investment Advice Law, with respect to them or to their senior officer, in Israel or outside Israel.
- (b) A senior officer in a license holder or in a control permit holder will immediately notify the license holder or the control permit holder, as relevant, of the existence of a circumstance listed in Section 27(c) of The Investment Advice Law with respect to it, as stated in sub-section (a)(2), without delay; A notice under this subsection will include the details that are required of the license holder or control permit holder, as the case may be, in order to fulfill their obligation under subsection (a).

### **Chapter C: Account Information Service Providers (AISPs)**

#### **Fiduciary duty**

21.

- (a) A service provider will act faithfully and diligently in their customers' best interests, will not prefer their personal interests or the interests of another party over the interests of their customers, and will not prefer the interests of one customer over another.

(b) The provisions of subsection (a) will not apply to a service provider's own use of account information that it holds; For this purpose – “own use” of account information is any of the following:

- (1) use of information for the purpose of presenting an offer to a customer on behalf of the service provider, to enter into an agreement with the service provider to provide a financial product or provide a financial service, as stated in Section 25(a)(6);
- (2) Use of information to ensure satisfaction of the terms of a credit transaction with a customer;
- (3) Any other use defined by the service provider's regulator in regulatory provisions.

**Duty of caution**

22. A service provider will act prudently and with such degree of skills as a reasonable service provider would have used in similar circumstances, and will take all reasonable measures to ensure their customers' interests.

**Duty of confidentiality**

23. A service provider will maintain in confidence all information about the customer, including the documents transferred to their possession and the contents thereof, and all other details referring to activities it performed as part of the service it rendered to the customer; Notwithstanding the above, a service provider may disclose information about the customer under the provisions of this law, under a court order, or under a demand received from any other entity authorized by law.

**Prohibition against receiving any private benefit**

24. A service provider will not receive, either directly or indirectly, any benefit related to the provision of account information services; The provisions of this section will not apply to —

- (1) any consideration and reimbursement of expenses paid directly by the customer;
- (2) any consideration received from another party related to the provision of account information services to the customer, pursuant to directives issued by the service provider's regulator, in regulatory directives, designed to prevent potential conflicts of interest.

**Restrictions on the collection, receipt, and use of account information**

25.

(a) A service provider will collect account information, will receive account information collected by another entity, and will use of information collected by themselves or by others only for the purpose of providing service to a customer on the basis of that information, with respect to the customer's economic conduct, including:

- (1) Concentrating a comprehensive compilation of account information for the customer;



- (2) Concentrating a comprehensive compilation of account information and transferring it to an entity to which such transfer of information is permitted under Section 29, for the purpose of using that information on the customer's behalf, for the purpose defined in that section;
  - (3) cost comparison;
  - (4) intermediation;
  - (5) consulting on economic conduct;
  - (6) making an offer on behalf of the service provider to enter into an agreement with a customer with respect to a financial product or service;
- (b) A service provider will not collect account information, receive account information, or use information, as stated in subsection (a) only for the purpose of providing a service to a customer, as stated in that subsection; and after the customer has given their explicit consent in an agreement with the service provider, as stated in Section 26, and subject to the terms of the agreement.
- (c) A service provider will not collect or receive information from other parties unless said they require the information to render a service to a customer as stated in subsection (a).
- (d) Notwithstanding the provisions of subsection (a) –
- (1) A service provider that is an information source will not collect account information, will not receive it from another party or make use of it, as stated in subsection (a) in order to make an offer on its behalf to enter into an agreement with a customer, as stated in paragraph (6) of said subsection, in the matter of a financial product or financial service (in this paragraph – the product or the service) if two of the following obtain:
    - (a) the information about the product or service is not included in one of the account information baskets that apply to said information source;
    - (b) the product or service is similar to another product or service, the information in respect of which is included in one of the information baskets that apply in the matter of another information source. For this purpose, “a similar product or service” — is a product or service of the same type as the other product or service, of all the types of products and services listed in the Fourth Addendum, which has a similar purpose as the other product or service;
  - (2) A service provider may also use account information that they collected or received from another party, as stated in subsection (a), also for statistical purposes related to the provision of an account information service to all its customers, provided that the customer gave their explicit consent in writing, and that the information displayed to customers will be aggregated statistical information that is unidentifiable information;
  - (3) The Minister, with the consent of the Minister of Justice, in consultation with the service provider's regulator, and approval of the Economic Affairs Committee, may define uses of account information that a service provider may not perform and for whose performance it may not collect or receive information, even if they are intended for the provision of a service

to a customer concerning their economic conduct under subsection (a), if the Minister deems such prohibitions necessary to protect the interests of the service provider's customers.

- (e) The Minister may determine, on the basis of considerations relating to competition in the financial system, that the provisions of subsection (d)(1) will not apply to a service provider that is a low-volume information source and that meets such conditions the Minister determines.
- (f) Nothing in the provisions of this section detract from any other provision of law, including a licensing requirement under any other law that applies to the use of account information as stated in subsection (a).

**Agreement to provide an account information service**

26.

- (a) A service provider will enter into a written agreement with a customer to provide an account information service (in this section — “the Agreement”). Before contracting with a customer, a service provider will give the customer information about the nature of the service in clear and brief language, including information on the storage of the information under Section 27(c); Within the Agreement, the service provider will permit the customer:
  - (1) to select the type of account information service that the service provider will provide to the customer, including the uses that the service provider will perform with said information as stated in Section 25;
  - (2) to select the information sources, the accounts, and the information baskets in respect of which the customer consent to give the service provider access to account information;
  - (3) to select whether the service provider's access to account information as stated in subsection (2) will be a one-time access or continuing access for a limited period, only if such period does not exceed three years or any other period determined by the Minister, with the consent of the Minister of Justice and in consultation with the service provider's regulator.
- (b) If the customer consents to grant the service provider continuing access for a limited period, as stated in subsection (a)(3), the service provider will, once every six months within that period, take the necessary measures to verify that the customer is aware that the service provider continues to have access pursuant to the customer's said consent; If, even after performing the necessary measures, the service provider is unable to verify that the customer is aware of the service provider's potential access as stated above, the customer will be deemed as having revoked the Agreement according to Section 28; The service provider's regulator will in regulatory directives make rules regarding the actions that the service provider must perform in order to fulfill its obligation under this subsection.
- (c) The Minister, with the consent of the Minister of Justice, and in consultation with the service provider's regulator, and with respect to an entity supervised by the Bank of Israel – the Minister, with the consent of the Minister of Justice and the Governor, may define in instructions concerning the Agreement, including the manner in which the customer makes the selection stated in subsection (a) and in the matter of additional details that must be included in the Agreement.

- (d) The service provider's regulator may by regulatory directives make rules concerning the drafting of the Agreement by the service provider and its details, including in the matter of the format of the agreement and the customer's option to terminate or reduce the scope of the agreement as stated in Section 28, and provisions in the matter of the service provider's obligation to give the customer information about the service and access to the agreement, all pursuant to the regulations enacted by the Minister under subsection (c), if any were enacted.

**Maintaining and deleting account information**

27.

- (a)
  - (1) A service provider will retain the account information that it collected or that was collected by another party and transferred to it, for the shortest period required to provide the account information service to a customer, and no longer than three years from the date on which the information came into its possession, unless the customer, toward the end of three years from date of their contracting in an agreement under Section 26, gave its explicit consent in writing to the service provider to retain said information for a longer period, not to exceed seven years from the date on which the information came into its possession, and only if the information is required to provide the account information service to the customer.
  - (2) The Minister, in consultation with the service provider's regulator, may shorten the periods stated in this subsection, and with respect to of a service provider that is a foreign corporation, as this term is defined in Section 18(a), the Minister may, with the consent of the Minister of Justice and in consultation with the ISA, determine periods that are different from the periods stated in this subsection with respect to the maximum period a foreign corporation may retain information under applicable foreign law, if the Minister finds that the provisions of the foreign law and the supervision to which the foreign corporation's business is subject offer adequate protection to customers on this matter.
- (b) A service provider will delete the account information about the customer at the end of the period which is stated in subsection (a), as soon as possible and no later than seven business days after the end of said period.
- (c) The provisions of subsection (b) will not apply to account information that is required by a service provider for a legal proceeding or an internal audit proceeding, or for statutory supervision, and the following provisions will apply to such account information:
  - (1) The information will be stored in a database that is separated from other databases; the service provider's regulator may in regulatory directives determine on the manner in which said information will be stored.
  - (2) The information will be used only for the proceedings stated in the beginning of this subsection that are related to the service that the service provider provided to its customers;

- (3) The service provider will ensure that it is not possible to access the information, unless a proceeding of the type stated in the beginning of this subsection involving a specific customer is initiated, and the information is required for the service provider in order to manage the proceeding;
  - (4) The service provider will delete the information after the elapse of seven years from the end of the service provision, excluding information required to manage a proceeding that was initiated as stated in paragraph (3) before the elapse of said period.
- (d) The provisions of this section will not apply to aggregate statistical information that is unidentifiable information as stated in Section 25(d)(2).

**Termination or restriction by a customer of an agreement to provide an account information service**

28.

- (a) A customer of a service provider may, at any time, by notice to the service provider, terminate the agreement with the service provider that was drafted according to Section 26, reduce the scope of the service or the uses that the customer selected as stated in Section 26(a)(1), and restrict the information sources, accounts, information baskets, or the period of access that the customer selected as stated in Section 26(a)(2) and (3), provided that they suffice to allow the service provider to provide the type of services and uses that were agreed upon; Termination or reduction in the scope of the agreement will be made by notice delivered by the customer to the service provider.
- (b) The service provider will permit the customer to terminate or reduce the scope of their agreement as stated in subsection (a) in a simple and convenient manner, including by a notice delivered online.
- (c) If a customer delivers a notice of termination or reduction of the scope of an agreement to a service provider pursuant to the provisions of subsection (a), the following provisions will apply:
  - (1) The service provider will act pursuant to the customer's notice, and if the service provider provides a service on the basis of account information collected and transferred to it by another service provider pursuant to Section 29(a)(3) – the service provider will notify the service provider that transferred the information to it, and said service provider will act pursuant to the customer's notice;
  - (2) If, within said notice, the customer revoked their consent to grant the service provider access to all the account information about the customer that is held by a specific information source, the service provider will notify the information source as soon as possible and within no more than two days;
  - (3) The service provider will delete the account information that, following the customer's notice, is no longer required for providing a service to the customer, pursuant to the provisions of Section 27;
- (d) (1) Nothing in the provisions of this section limits the customer's possibility to cancel their consent to give the service provider access to all the account information about the customer held

by an information source, by revoking the access permission in a notice to the information source, pursuant to the provisions of Section 45; If the service provider receives a notice from an information source regarding the cancellation of said access permission, pursuant to the provisions of Section 45(c), the service provider will be deemed as having received a notice under this section on the reduction of the scope of the agreement with the customer, in which the customer canceled their consent to grant the service provider access to all the account information about the customer that is held by the information source.

(2) With respect to a joint account jointly and severally – If a service provider receives a notice from an information source of the cancellation of access permission as stated in paragraph (1) by an account holder that is not a customer of the service provider, shortly after the date on which access permission was given to the information source, the service provider will delete all the information that it received from the information source about that account.

- (e) If a license or authorization is revoked, all the customers of the holder of the license or authorization will be considered to have terminated their agreement with them under this section.

**Transfer of information to other parties**

29.

- (a) A service provider may transfer financial information that it or another party collected, to any of the parties listed below, and to them alone, for the purpose that appears alongside them and pursuant to directives to be issued by the service provider's regulator in this matter under subsection (g), only if the customer gave their explicit written consent and if the transferred information is required for that purpose:
- (1) To a financial entity – For the purpose of making an offer on its behalf to enter into an agreement with that customer, whether the offer is made through the service provider acting as an intermediary or whether the offer is made directly to the customer;
  - (2) To a representative – For the purpose of providing a service to that customer in the field of the representative's business, after the representative gave an undertaking to the service provider to comply with the applicable directives issued under this section;
  - (3) To another service provider – For the purpose of providing an account information service to that customer by another service provider under this law.
- (b) A service provider will not transfer account information to another party listed in subsection (a) without having notified them, within the agreement between them, that the information was received from the information source through the account information interface system.
- (c) A financial entity that received information under subsection (a)(1) –
- (1) will not transfer the information to other parties;
  - (2) will not make use of the information for any purpose other than to present on offer on its behalf to enter into an agreement with the customer as stated in subsection (a)(1) and for the purpose of entering in such agreement;

- (3) will retain the information in a secured manner that prevents leakage of the information and unauthorized access to it, according to any law and pursuant to rules made on this matter in regulatory directives by the regulator of the financial entity.
  - (4) will delete the information at the end of its use as stated in paragraph (2) and no later than 30 days after having received said information, unless the financial entity entered into an agreement with the customer in respect of whom the offer of agreement was made; The Minister, with the consent of the Minister of Justice, may define a different period for deleting the information.
- (d) A representative that received information under subsection (a)(2) –
- (1) will not make use of the information for any purpose other than to provide a service to the customer within the field of its business as a representative, as stated in subsection (a)(2), and will not transfer the information to other parties for any purpose other than to provide said service, and after having received the customer’s consent to such transfer;
  - (2) will save the information in a secure manner that prevents leakage of the information and unauthorized access to the information, and according to any law;
  - (3) will retain the information pursuant to the provisions of Section 27 and will delete it pursuant to the provisions of that section;
  - (4) will notify the service provider if it no longer provides a service to the customer as stated in paragraph (1).
- (e) A service provider will not make use of information that it received under subsection (a)(3) other than for the purpose of providing an account information service pursuant to the provisions of this law.
- (f) Notwithstanding the provisions of subsections (a)(1) and (2), (c), and (d) —
- (1) The Minister, with the consent of the Minister of Justice, may determine, in general or with respect to a specific type of representatives, the types of uses that a representative may not make of account information that is obtained under subsection (a) and in respect of the use thereof the service provider may not transfer account information to the representative pursuant to the provisions of that subsection, if the Minister finds it necessary in order to protect the interests of the representative’s customers;
  - (2) The Minister, with the consent of the Minister of Justice, in consultation with the service provider’s regulator and with the approval of the Economic Affairs Committee, may define –
    - (a) additional types of uses of information received under subsection (a) that a financial entity or representative may make, and for the purpose of which the service provider may transfer account information to a financial entity or to a representative, pursuant to the provisions of that subsection; Regulations under this sub-paragraph may be determined in general or with respect to a specific type of representatives or financial entities;
    - (b) additional entities to which the service provider may transfer account information under subsection (a) and the conditions that will apply to said entities with respect to their use of

the information transferred to them, only if the Minister is convinced of said entities' ability to protect the customer's privacy, maintain information security and cyber defense, and that control and enforcement in those fields is possible with respect to said entities.

(c) conditions that, if obtained, a service provider may give an individual engaged in providing financial consulting services to a limited number of customers, to be defined by the Minister, limited access to the customers' information through the service provider's systems for the purpose of said financial consulting services; The Minister may enact regulations that define conditions for protecting customers interests; For this purpose "financial consulting services" including advisory services concerning housing loans;

- (g) The service provider's regulator may in regulatory directives determine rules regarding the transfer of information under this section, including directives on the manner of such transfer.

**Delivering information to a customer in the matter of a comprehensive financial information compilation service**

30. When providing a comprehensive financial information compilation service as stated in Section 25(a)(1), the service provider will permit the customer to receive the information that it compiled in a secure manner; The service provider's regulator may in regulatory directives determine rules on this matter.

**Severe security incident**

31.

- (a) In the event of a severe security incident as this term is defined in the directives issued under Section 36 of The Privacy Protection Law, the service provider will immediately notify the service provider's regulator of the incident, the information source from whom the information involved in the security incident was received, and the registrar, as defined in Section 7 of The Privacy Protection Law (in this section – "the Registrar"), and will report to the service provider's regulator and to the Registrar on the actions taken in response to the incident; If the service provider received the information from another service provider that collected it, pursuant to the provisions of Section 29(a)(3), the service provider will also immediately notify the service provider from which it received the information; If an information source receives a notice under this subsection, the information source will report the incident to the information source's regulator.
- (b) The Registrar, in consultation with the Director General of the National Cyber Directorate and with the service provider's regulator, will order the service provider to also give notice of the security incident stated in subsection (a) to customers whose privacy may be tangibly harmed by the incident or to additional information sources that give the service provider access to account information; However, the Registrar may refrain from ordering the delivery of said message or may order delivery of said message at such date as it orders, all due to circumstances related to responsiveness to the security event or for special considerations related to a tangible harm to the service provider's customers. An information source that receives notice according to this subsection will report it immediately to the information source's regulator; For this purpose, "the National Cyber Directorate" is the National Cyber Directorate that was established by government resolution and operates according to its resolutions.

**Conflict of interest**

32.

- (a) If a service provider learns of a conflict of interest between it or its related party and a customer, the service provider will refrain from performing any action that is affected by said conflict of interest.
- (b) Without detracting from the generality of the provisions of subsection (a) –
  - (1) The Minister may determine a list of circumstances that will be deemed as circumstances involving a conflict of interest under subsection (a), and may, with the consent of the Minister of Justice, determine actions that constitute a conflict of interest due to which a monetary fine may be imposed under this law;
  - (2) A service provider will not provide cost comparison or intermediation services –
    - (a) with respect to a financial product or financial service that it or its related party provides to its customers;
    - (b) with respect to a similar product or service, as this term is defined in Section 25(d)(1)(b) to a product or service as stated in sub-paragraph (a);
    - (c) notwithstanding the provisions of subsections (a) and (b)(1), and without detracting from the provisions of subsection (b)(2) –
      - (1) The Minister may determine circumstances in which a service provider may act even though it involves a conflict of interest as stated in subsection (a), and may determine the conditions that will apply to actions performed under those circumstances, with the aim of reducing concerns that the conflict of interest will affect the performance of that action;
      - (2) The service provider’s regulator may in regulatory directives determine rules on the matters stated in paragraph (1), subject to regulations enacted by the Minister according to said paragraph, if any were enacted.
- (d) In this section, “a related party” of a service provider is any of the following:
  - (1) any party that holds 20% or more of a specific type of means of control in the service provider;
  - (2) any party in which the service provider holds 20% or more of a specific type of means of control;
  - (3) any party in which the controlling shareholder of the service provider holds 20% or more of a specific type of means of control;
  - (4) any party defined by the service provider’s regulator in regulatory directives as a related party due to a business connection to the service provider.

**Due disclosure**



33. A service provider must disclose to customers all material information concerning the content, scope, and terms of the account information service that it offers or provides and the risks entailed therein, including the following:

- (1) The consideration payable by the customer in connection with the service;
- (2) The option of terminating or reducing the scope of the agreement with the service provider, as stated in Section 28, and the methods of doing so;
- (3) The financial entities with which it maintains agreements for the purpose of providing intermediation services;
- (4) The identity of the service provider's regulator regarding its capacity as a service provider;
- (5) Retention of the customer's information and the duration for which the information will be retained, if the service provider retains information as stated in Section 27(c);
- (6) Any action that it performs as part of the service that it provides to the customer that involves a conflict of interest as stated in Section 32(c).
- (7) If the service provider is a foreign corporation, in respect of which a different period was determined for retaining the information as stated in Section 27(a)(2) – said period.

**Prohibition against misleading conduct**

34.

- (a) A service provider will not engage in any conduct that may mislead a customer regarding any material matter of an account information service transaction, by act or omission, in writing or orally or in any other manner, including after date of the transaction; Without limiting the generality of the above, the following matters will be considered material matters of a transaction:
  - (1) the identity of the service provider;
  - (2) the nature and quality of the account information service;
  - (3) the term of the agreement to provide an account information service, methods of renewal and termination;
  - (4) all other matters listed in Section 33.
- (b) The provisions of subsection (a) will also apply to advertising and marketing on behalf of the service provider.

**Mechanisms for information security, risk management, and cyber defense**

35.

- (a) Without detracting from the provisions of any law, a service provider will ensure that adequate and advanced mechanisms of information security, risk management, and cyber defense are in place, and will receive, retain, and deliver the account information —

- (1) in a manner that guarantees protection against information leaks and unauthorized access, and against any transfer, disclosure, deletion, use, modification, or duplication that is not duly authorized;
  - (2) in a manner that prevents any use of the information in violation of the provisions of this law.
- (b) A service provider's regulator will by regulatory directives determine rules on the matters stated in subsection (a) including the following matters:
- (1) the obligation to appoint officers in charge of information security, risk management, and cyber defense in a service provider;
  - (2) the manner in which customers' identity is authenticated by a service provider;
  - (3) the manner in which a service provider retains account information, including with respect to any applicable documentation requirements.

**Special provisions concerning licensed service providers**

36.

- (a) A license holder will meet the requirements concerning insurance, minimal shareholders' capital or other collateral, as the ISA determines in regulatory directives, and the ISA may define other requirements according to the scope and type of account information service provided by the license holder.
- (b) A license holder will submit to the ISA reports and notices of its operations under this law pursuant to the rules that the ISA will determine in regulatory directives.
- (c) A license holder will furnish to the ISA in writing, at the demand of the ISA or an ISA employee authorized for this purpose, within the period defined in the demand, explanation, details, information, and documents related to the information contained in any report or notice submitted under subsection (b).
- (d) A license holder or applicant will not include misleading details in any application, report, or other information it submits to the ISA; For this purpose, "misleading information" — includes anything that may mislead the ISA and any omitted information whose omission may mislead the ISA.
- (e) All documents that a license holder or applicant is required to submit to the ISA will be submitted in the manner determined in Chapter G1 of the Securities Law.

**Regulatory directives of a service provider's regulator**

37.

- (a) A service provider's regulator may in regulatory directives determine rules that will apply to a service provider for the purpose of fulfilling its obligations under this Chapter, including with respect to the following matters:
  - (1) customer complaint handling and documentation;

- (2) document retention;
  - (3) emergency preparedness and business continuity;
  - (4) reports that a service provider is required to furnish to its customers;
  - (5) requirements imposed on a service provider concerning the use of the account information interface system.
- (b) The ISA will not determine or issue directives under this Chapter concerning the use of account information stated in Section 25, if the use is subject to a license by other law or is subject to registration under Section 67(a)(4) of the Credit Data Law;
  - (c) Regulatory directives of a service provider's regulator under this Chapter may be determined in general or with respect to the type or scope of the account information service.
  - (d) Nothing in the provisions of subsection (a) limit the powers of the service provider's regulator under this law to define additional rules within regulatory directives that it issues.

**Exemption from the application of the provisions of Chapter C**

38.

- (a) The provisions of this chapter will not apply to portfolio managers, investment advisers, investment marketers, pension advisers, pension agents, and insurance agents, with respect to the use of account information collected by them or collected by another party and transferred to them, if such use is regulated by a law under which said entity was issued a license for its said business; However, the provisions of this chapter concerning collection of the information and its receipt from another party for the purpose of its said use will apply to such entities.
- (b) Notwithstanding the provisions of subsection (a), the provisions of Sections 24 and 32 will apply to portfolio managers that have a connection, as this term is defined in Section 1 of The Investment Advice Law, to investment marketers, pension agents, and insurance agents with respect to the use of account information as stated in that subsection, however a service provider's regulator for the purpose of the said sections will be: for investment marketers and portfolio managers — the ISA; for pension agents and insurance agents — the Capital Market Insurance and Savings Commissioner. The provisions of this subsection are in addition to and do not detract from the statutory obligations of portfolio managers as mentioned above, investment marketers, pension agents, and insurance agents.

**Chapter D: Information Source**

**Obligation to give access to account information**

- 39. (a) An information source will give a service provider access to account information about a customer, that is in the possession of the information source, through the account information interface system, pursuant to the access permission given by a customer under Section 40.

- (b) An information source will not make access under subsection (a) contingent upon an agreement between it and the service provider.

**Access permission**

40.

- (a) An information source will allow a customer to grant a service provider access to account information about the customer that it in the possession of the information source, through the account information interface system; The information source will allow the customer to include at least the following information in said access permission:
  - (1) the details of the service provider to which access to the account information will be granted;
  - (2) the customer's accounts administered by the information source and the information baskets in each account, to which access will be granted to the service provider.
  - (3) the period in respect of which access is granted, as stated in Section 26(a)(3).
- (b) An information source will allow a customer to grant access as stated in subsection (a) in a simple and convenient manner.

**Exemptions from the obligation to grant access**

41.

- (a) (1) Notwithstanding the provisions of Section 39, an information source may refrain from granting a service provider access to account information if one of the following obtains:
  - (a) There is a genuine concern that access to information is not authorized or that it violates the duty of confidentiality with respect to the information;
  - (b) It is prohibited by law to deliver the information to the customer;
  - (c) The access permission was granted by one of the account holders of a joint account, pursuant to the provisions of Section 43(b), who ceased to be an account holder;
  - (d) The existence of additional circumstances defined by the Minister, in consultation with the information source's regulator and the service provider's regulator, in respect of which it is justified not to allow said access in order to protect the customers' interests.
- (2) If an information source denies access to information under the provisions of paragraph (1), it will notify the service provider as soon as possible, unless disclosure of said information is prohibited by law, and will also notify the information source's regulator together with the reasoning; The information source will document said denial of access and the reasons for it, and will retain the documentation.
- (3) If the cause of the denial of access to information, as stated in paragraph (1) is removed, the information source will notify the service provider as soon as possible and will notify

the information source's regulator, and will grant the service provider access to the information pursuant to the provisions of Section 39 as soon as possible.

- (4) The information source's regulator will determine in regulatory directives rules on the matter of the notice to be delivered by an information source under paragraphs (2) and (3), and may determine in regulatory directives rules on the matter of the documentation and its retention as stated in paragraph (2).
- (b) The Minister, in consultation with the information source's regulator, with the approval of the Economic Affairs Committee, and in the matter of information supervised by the Bank of Israel — the Governor, with the consent of the Minister and approval of the Economic Affairs Committee, may determine, for considerations related to the cost of implementing the provisions of this law or related to competition in the financial system, that an information source that satisfies conditions that the Minister or the Governor, as relevant, will determine, will not be obligated to grant access to account information that it possesses pursuant to Section 39.
- (c) (1) Without detracting from the provisions of subsection (b), the Minister, at the suggestion of or in consultation with the information source's regulator, and in the matter of an information source supervised by the Bank of Israel — the Governor, with the consent of the Minister, may order, at the request of a low-volume information source and for considerations related to the cost of implementing the provisions of this law or related to competition in the financial system, and at the request of the information source, that the obligation to grant access to account information that it possesses under Section 39 (in this subsection – the obligation to grant access), will not apply to it or will apply after the elapse of such period as the Minister or the Governor orders.
- (2) If an information source in respect of which the Minister issued an order as stated in paragraph (1) ceases to be a low-volume information source, the obligation to grant access will apply to it on the date stated below, as relevant, or after the elapse of any other period ordered by the Minister or the Governor, as relevant, as stated in paragraph (1):
- (a) With respect to an information source to which the Minister or the Governor orders that the obligation to grant access will not apply — after the elapse of two years from the date on which it ceased to be a low-volume information source.
  - (b) With respect to an information source to which the Minister or the Governor orders that the obligation to grant access will apply after the elapse of such period of the Minister or the Governor orders — after the elapse of the period so ordered or after the elapse of two years from the date on which it ceased to be a low-volume information source, the earlier of the two dates.

**Authentication of a service provider's identification by an information source**

42. An information source will give a service provider access to account information through the account information interface system, under Section 39, pursuant to the access permission granted by the customer under Section 40, only if the service provider identified itself as a service provider, pursuant to directives issued by the information source's regulator under Section 48(a)(3).

**Joint account**

43. (a) An information source will not give a service provider access to account information related to a joint account unless the access permission was granted by all holders of the joint account; Nonetheless, in a joint account held jointly and severally, an access permission given by any account holder will be considered access permission granted by all account holders; In this section, “joint account held jointly and severally” – a joint account in which, pursuant to the agreement with the information source, each account holder may give orders in the account without the consent of the other account holder.
- (b) If an account holder of a joint account held jointly and severally gives an access permission as stated in subsection (a), the information source will notify all holders of the joint account as soon as possible of the access permission so granted and of their right to cancel said permission pursuant to Section 45.
- (c) An information source will allow joint account holders to grant access permission by any single account holder, as stated in subsection (a) in a simple and convenient manner.
- (d) An information source will notify account holders of a joint account held jointly and severally, when signing the agreement with them, that access permission granted under this law that is granted by any account holder will be considered an access permission granted by all account holders.

**A corporate account**

44. (a) An information source will allow an account holder of a corporate account to authorize, at any time, a signatory that may grant access permission to account information about the corporation, with respect to that account; An information source will offer said account holder, when opening the account, to authorize such a signatory.
- (b) An information source will allow an account holder of a corporate account to authorize a signatory as stated in subsection (a), in a simple and convenient manner.

**Revocation of access permission**

45. (a) The following may, at any time, revoke access permission that they granted with respect to their account, by giving notice to the information source:
- (1) the account holder;
  - (2) With respect to a joint account – each account holder;
  - (3) With respect to a corporate account – also a signatory, as stated in Section 44(a);
- (b) An information source will allow the revocation of access permission as stated in subsection (a) in a simple and convenient manner, including by a notice delivered online.
- (c) If an information source received notice of revocation of access permission as stated in subsection (a), the information source will act in accordance with the notice and will notify

the service provider as soon as possible; If said notice of revocation was given by a holder of a joint account, the information source will also notify the remaining joint account holders of the revocation as soon as possible.

- (d) Nothing in the provisions of this section limit a customer's option to revoke their consent to grant the service provider access to all the account information about the customer that is held by an information source, by terminating or reducing the scope of their agreement with the service provider, pursuant to the provisions of Section 28; If an information source received a notice from a service provider under Section 28(c)(2) that a customer terminated their aforesaid consent, the information source will be considered as having received a notice of revocation of access permission from the account holder under this section.

**Restrictions on fees charged by an information source**

- 46. (a) An information source will not charge an account holder a fee for granting or revoking access permission or for granting access to a service provider pursuant to the access permission.
- (b) An information source may charge a service provider a reasonable fee for giving access to account information that it holds, subject to the provisions of the Fifth Addendum, only if the information source does not charge the service provider a fee for granting or revoking access permission. An information source will not charge service providers different fees for access to account information granted under similar conditions.
- (c) The Minister, in consulting with the service provider's regulator, the information source's regulator, and the Competition Commissioner, and with approval of the Economic Affairs Committee, may determine circumstances in which an information source may charge different fees from different service providers for access to account information that is granted under similar conditions; However, with respect to an information source supervised by the Bank of Israel, the Minister will determine said circumstances, with the consent of the Governor, after consultation with the service provider's regulator and the Competition Commissioner, with approval of the Economic Affairs Committee.

**Prohibition against undue influence**

- 47. (a) An information source will not, by act or omission, in writing, orally, or in any other manner, perform an act that constitutes exercise of undue influence on a customer in any matter related to granting access permission according to this chapter.
- (b) Without limiting the generality of subsection (a), an information source that presents a position or warning against granting a service provider access to account information or concerning the quality of service rendered by the service provider, is considered to have exercised undue influence.
- (c) The Minister, in consultation with the service provider's regulator and the information source's regulator, may define a list of additional actions that will be considered the exercise of undue influence on a customer, and may determine, in said manner and with the consent of the Minister of Justice, such actions that are subject to a monetary fine.

#### **Directives of an information source's regulator**

48. (a) An information source's regulator, in consultation with service providers' regulators, and for the purpose of paragraph (3) — with the consent of service providers' regulators, will issue rules, by regulatory directives, regarding the following matters:
- (1) authentication of a customer's identity by an information source for the purpose of granting access permission, and the manner in which access permission is granted, including the customer's authentication and receipt of access permission by another party;
  - (2) the manner in which an information source grants a service provider access to account information through the account information interface system, including directives concerning privacy protection, information security, secured technological mechanisms, and duty of documentation;
  - (3) the manner in which a service provider's identity is authenticated by an information source;
  - (4) obligations that will apply to an information source concerning the standard of service that it gives to service providers.
  - (5) obligations of an information source in the matter of delivering notices to an account holder regarding access permission granted in their account.
- (b) Nothing in the provisions of this section limits the powers of an information source's regulator under this law to make additional rules within regulatory directives.

### **Chapter E: Monetary Fines**

#### **Defining the base amount**

49. In this chapter, "the base amount" – the amount stated in the Sixth Addendum.

#### **Monetary fine**

50. (a) The regulator, as defined in Section 13(a) may, under the provisions of this chapter, impose a monetary fine equal to two times the base amount on an information source listed in paragraphs (1) to (7) of the definition of "information source" in Chapter A, credit bureau, dealers information bureau, and any entity that was determined according to Section 2(c) to be engaged in providing an account information service without authorization or in violation of the conditions of an authorization, contrary to the provisions of Section 2(b).
- (b) If a service provider violated a provision of the directives created under this law, as stated in Part A of the Seventh Addendum, the service provider's regulator may, under the provisions of this chapter, impose on it a monetary fine equal to the base amount; and if a service provider violated provision of the directives created under this law as stated in Part B of the said Addendum — the service provider's regulator may, under the provisions of this chapter, impose on it a monetary fine equal to two times the base amount.



- (c) If an information source violated a provision of the directives created under this law, as stated in Part A of the Eighth Addendum, the information source’s regulator may, under the provisions of this chapter, impose on it a monetary fine equal to the base amount; and if an information source violated a provision of the directives created under this law as stated in Part B of the said Addendum — the information source’s regulator may, under the provisions of this chapter, impose on it a monetary fine equal to two times the base amount.
- (d) If a financial entity, excluding a stock exchange member, violated a provision of Section 29(c) as stated in the Ninth Addendum, the financial entity’s regulator may, under the provisions of this chapter, impose on it a monetary fine equal to two times the base amount.
- (e) If a holder of a control permit failed to report to the ISA of the existence of a circumstance listed in Section 27(c)(1) to (6) of The Investment Advice Law, that exists with respect to it or to a senior officer thereof, in violation of the provisions of Section 20(a)(2), the ISA may, under the provisions of this chapter, impose on it a monetary fine equal to the base amount.

**Application of the monetary fine mechanism to offenders**

51. A monetary fine imposed under Section 50 on each of the following, will be subject to the provisions appearing alongside it:

- (1) With respect to a license holder, a holder of portfolio management license and a holder of a control permit – directives issued under Section 56H and Sections 52P to 52DD of The Securities Law, with the necessary changes;
- (2) With respect to a bank, an auxiliary corporation, and a clearing institution – directives issued under Sections 14I to 14O of The Banking Ordinance, with the necessary changes;
- (3) With respect to a holder of license to provide deposit and credit services, a holder of a license to grant credit, and a holder of a license to operate a credit intermediation service — directives issued under Section 72(d) and 74 to 93 of The Supervision of Regulated Financial Services, with the necessary changes;
- (4) With respect to a credit bureau and a dealers information bureau – directives issued under Sections 93 to 105 of The Credit Data Law, with the necessary changes;
- (5) With respect to an insurer – directives issued under Sections 92A1 to 92 L, 92N, 92P to 92T and 92V to 92W of The Supervision of Insurance Law, with the necessary changes;
- (6) With respect to a managing company – directives issued under Section 47 of The Supervision of Provident Funds Law, with the necessary changes;
- (7) With respect to any other entity whose business is in the field of finance, as determined according to Section 2(c), as stated in paragraph (8) of the definition of “information source” or paragraph (10) of the definition of “financial entity” – directives issued in the matter of a monetary fine pursuant to the powers of the regulator of said entity according to the law under which it supervises said entity’s financial operations, as stated in the Tenth Addendum.

## **Chapter F: Imposition of administrative enforcement measures by the Administrative Enforcement Committee**

### **Definitions**

52. In this chapter –

“the Committee” – the Administrative Enforcement Committee appointed under Section 52FF(a) of the Securities Law;

“a violation” – a violation of the provisions of this law, listed in the Eleventh Addendum.

### **Administrative Enforcement Committee Powers**

53. If a person committed a violation, the provisions of Chapter H4 of The Securities Law that apply to an offender and to a violation of a provision listed in Part C of the Seventh Addendum of said law will apply to the offender and to the offense, with the necessary changes; However the Committee may impose on the offender a monetary fine under this chapter, pursuant to the provisions of Section 52AAA(a) of The Securities Law, of the maximum amount, as stated below, as relevant:

(1) In the matter of an offender that is an individual who is an employee of a license holder and is not a senior officer thereof – the maximum amount of NIS 25,000;

(2) In the matter of an offender that is another individual – the maximum amount of NIS 1,000,000;

(3) In the matter of an offender that is a corporation – the maximum amount of NIS 5,000,000.

### **ISA Chairperson Powers to enter into a conditional arrangement to suspend or refrain from initiating legal proceedings**

54.

(a) The authority of the ISA Chairperson to enter into a conditional arrangement to suspend or refrain from initiating proceedings, as relevant, pursuant to the provisions of Chapter II of The Securities Law, will apply in the matter of violations, and the provisions of said chapter will apply to this matter, with the necessary changes.

(b) In this section, “proceedings” means a proceeding to inquire into a violation or an administrative enforcement proceeding, according to Chapter H4 of The Securities Law, as applied in Section 53.

### **Prohibition of indemnity and insurance**

55. The provisions of Section 56H of The Securities Law will apply to proceedings under this chapter.

### **Exemption to the application of the provisions of Chapter F**

56. The provisions of this chapter will not apply to a party that is subject to an authorization requirement under Section 2(b) or (c) or on a holder of said authorization.

## **Chapter G: Criminal Enforcement**

### **Penalties**

57.

- (a) Whoever commits one of the following is liable to two years imprisonment or a fine equal to two and a half times the fine determined in Section 61(a)(4) of The Penal Law, and if it is a corporation — twelve and a half times the fine stated in said section:
- (1) engaged in the provision of an account information service without a license or in violation of the terms of the license, in violation of the provisions of Section 2(a);
  - (2) engaged in providing an account information service without authorization or in violation of the terms of the authorization, in violation of the provisions of Section 2(b);
  - (3) included misleading information in an application, report, or other information submitted to the ISA, in violation of the provisions of Section 36(d).
- (b) Whoever, as a business, accessed, through an online system, to account information about a customer that is held by an information source, using the customer's details that are designed to authenticate the customer's identity by the information source, for the purpose of providing a service to the customer related to their economic conduct, in violation of the provisions of Section 60 is liable to one year of imprisonment or a fine as stated in Section 61(a)(4) of The Penal Law, and if it is a corporation — twice said fine.

## **Chapter H: Miscellaneous**

### **Prevention of duplication of administrative enforcement measures and coordination of procedures for their imposition**

57.

- (a) In this section, “administrative enforcement measure” – any of the following:
- (1) a monetary fine;
  - (2) an administrative warning or a demand for an undertaking to refrain from a violation, in lieu of a monetary fine;
  - (3) administrative means of enforcement, according to Article C in Chapter H4 of The Securities Law;
- (b) No more than a single administrative enforcement measure will be imposed on a single act that constitutes a violation of a provision of the directives issued under this law as stated in Section 50 or the provisions of any other law.

- (c) (1) In this subsection, “a second regulator” – a regulator that issued a license to the service provider for engaging in financial operations under another law, or a regulator that maintains a register under Section 67(a)(4) of The Credit Data Law.
- (2) If the ISA wishes to commence a proceeding to impose administrative enforcement measure under this law against a service provider that is a holder of a license and also holds a second license under another law for engaging in its financial operations, or is registered under Section 67(a)(4) of The Credit Data Law, for a violation that a second regulator may also impose administrative enforcement measure on the service provider under another law, the ISA will inform the second regulator before commencing such proceeding.
- (3) If a second regulator wishes to initiate a proceeding to impose administrative enforcement measure against said service provider under another law, as stated in subsection (2), and believes that the violation is related to a matter that is directly connected to its operations as a service provider, the second regulator will inform the ISA before commencing the proceeding.

#### **Fees**

59. The Minister, at the suggestion of, or in consultation with the ISA, and with approval of the Economic Affairs Committee, may determine fees that will apply to an applicant of a license under Section 5 and to a holder of a license, and provisions regarding linkage and interest differences to be paid due to a delay in payment of fees under this section, and regarding the application of The Tax Ordinance (Collection)<sup>18</sup> on the collection of said fees and linkage and interest differences.

#### **Prohibition of access using a customer’s access details**

60. A person, including a service provider, must not access account information about a customer that is held by an information source, for the purpose of providing a service to the customer related to the customer’s economic conduct, if such access is made as a business, through an online system, using the customer’s details that are designed for the authentication of the customer’s identification by the information source.

#### **Flawed information**

61. (a) In this section “flawed information” means a defect in account information, including a defect in information security that led to the exposure of information about the customer, or a defect in the information’s reliability.
- (b) If a customer contacted a service provider with which it entered into an agreement or an information source, regarding a defect in the account information to which access was granted to a service provider under this law, the service provider or information source will inquire into the matter and inform the customer of the outcome of the inquiry within a reasonable time under the circumstances,

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<sup>18</sup> Laws of Israel, Vol. II, p. (P) 1374, (a) 1399.

- (c) If a service provider or information source became aware, following an inquiry conducted under subsection (b) or in any other manner, that a defect as stated in that subsection exists and that it is responsible for the defect, the service provider or information source will notify the customer and take steps to correct the defect and mitigate the damage to the customer on the date it became aware of the defect. If the service provider or information source was not responsible for the defect, it will take reasonable steps to identify the party responsible for the defect and to ensure that said party corrects said defect.
- (d) A service provider or information source will compensate or indemnify their customer, at the customer's demand, for any damage or expense incurred by the customer due to a defect as stated in subsection (b) for which it was responsible; If the service provider or information source was not responsible for the defect, it will take reasonable steps to ensure that the party responsible for the defect will indemnify or compensate the customer.

**Powers of a regulator**

62. (a) In this section —
- “the regulator” of a supervised financial entity means the regulator of an information source, the regulator of a service provider, or the regulator of a financial entity, as relevant.
- “supervised financial entity” means an information source, a service provider, or a financial entity.
- (b) In addition to the powers granted to a regulator under this or any other law, for a specific matter, a regulator, by virtue of the powers vested in it by law, may issue rules, by regulatory directives, on additional matters under this law that will apply to a supervised financial entity, subject to the provisions of this law.
  - (c) If the Minister enacted regulations under this law on a specific matter, which apply to a supervised financial entity, the regulator of that entity may by regulatory directives issue detailed rules on that matter, subject to the regulations that the Minister enacted.
  - (d) For the purpose of supervising compliance with the directives issued under this law, administrative inquiry related to said directives and their enforcement, the regulator will have the powers vested in it under the law concerning the supervised financial entity; However, with respect to the ISA and the holders of licenses under its supervision, the provisions of Section 63 will apply.

**Special provisions in the matter of the ISA's powers with respect to license holders**

63. (a) In fulfilling their obligations under this law, license holders will be subject to the supervision of the ISA.
- (b) (1) The ISA may, for the purpose of supervision as stated in subsection (a), issue directives regarding the operation of license holders, the senior officers and employees thereof, all in order to ensure the proper management of the license holders and to protect their customers' interests. Such rules may be issued to all license holders or to a specific class of license holder.

- (2) Directives issued under paragraph (1) are not required to be published in Reshumot; However, the ISA will publish in Reshumot a notice of the issue of such directives and their effective dates; Said directives and any amendment to them will be placed at the disposal of the public at ISA offices and will be published on the ISA website, and the ISA may order additional ways of their publication.
- (c) The powers granted under Section 52QQ, 56A, 56A2, 56B, 56B1, 56C, 56D, and 56E of The Securities Law will be vested in the ISA in order to supervise compliance with the provisions of this law, for the purpose of an administrative inquiry related to said provisions, or enforcement of the provisions of this law regarding a violation or an offense, all as relevant and with the necessary changes; For this purpose —
- “violation” – as this term is defined in Section 52;
- “offense” – any of the following:
- (1) an offense under this law, excluding an offense under Section 57(a)(2) and an offense under Section 57(b) committed by an entity that is required to obtain an authorization under Section 2(b);
  - (2) an offense under Sections 284, 290, 291, 415, 423, 424, 424A, and 425 of The Penal Law that was committed in connection with an offense according to paragraph (1);
  - (3) an offense under Sections 3 and 4 of The Prohibition of Money Laundering Law 5760-2000,<sup>19</sup> that was committed in connection with an offense according to paragraphs (1) or (2);
  - (4) an offense under Sections 240, 242, 244, 245, or 246 of The Penal Law, committed in connection with an investigation or a judicial proceeding due to an offense under paragraphs (1) to (3).

#### **Service of documents by the ISA**

64. A notice, directive, demand, or any other document that the ISA or an employee authorized for this purpose may, under this law, serve to a license holder or any party that applied for a license, is subject to the provisions of Chapter G2 of The Securities Law, with the necessary changes.

#### **Exemptions from the scope of the application of the law**

65. (a) The obligation to grant access under Section 39 will not apply to the types of accounts listed in the Twelfth Addendum regarding the account information contained therein.
- (b) The directives issued under this law will not apply to the following:
- (1) Transfer of account information under the provisions of Sections 5B1, 7E(a) and 7G(a) of The Banking Law (Service to Customers) and use of the said

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<sup>19</sup> Book of Laws 5760, p. 293; 5778, p. 440.

information by the party to whom the information was transferred under the provisions of said sections.

- (2) Transfer of account information to a credit data repository under the provisions of The Credit Data Law, transfer of all information that originates from the repository to another party under said law, and use of the said information by the party to whom the information was transferred under the provisions of the said law;
  - (3) Transfer of account information to the Pension Clearing House under the provisions of Chapter H1 of The Investment Advice, Marketing, and Pension Clearing and Settlement System Law, transfer to another party using the Pension Clearing House and under said law, and the use of said information by a party to whom the information was transferred under the provisions of said chapter;
  - (4) Transfer of account information that consists of debits and credits of vendors that are executed through debit cards to the repository as defined in Section 7B of The Banking Law (Service to Customers), and the use of said information by a repository to which the information was transferred under said section.
- (c) The Minister, with the consent of the Minister of Justice and in consultation with the ISA and the Governor, may determine that the provisions of this law will not apply to a transfer of account information performed under a law that is not listed in subsection (b), and on the use of that information that was transferred under the provisions of that law.

**Preservation of powers of a public authority**

66. Nothing in the provisions of this law limits the powers vested in a public authority by statute or regulations, including the Central Bureau of Statistics and the Anti-Money Laundering and Terror Financing Authority.

**Amendments to the Addenda**

67. (a) The Minister may by order amend the First Addendum.
- (b) The Minister, at the suggestion of, or in consultation with an information source's regulator, may by order amend the Second Addendum and in said order may determine the features of the system that will be used by all or a specific class of information sources. However, with respect to information sources supervised by the Bank of Israel, such order will be issued in consultation with the Governor, and with respect to a system that is not in use by a supervised information source — with the Governor's consent.
- (c) The Minister, in consultation with the ISA and the information source's regulator and with the approval of the Economic Affairs Committee, may by order amend the Third Addendum, and in the matter of an information source supervised by the Bank of Israel — the Governor, with the Minister's consent and in consultation with the ISA and approval of the Economic Affairs Committee, may by order amend the Third Addendum.

- (d) The Minister, in consultation with the service provider's regulator, may by order amend the Fourth Addendum.
- (e) The Minister, in consultation with the service provider's regulator and the information source's regulator, and with the approval of the Economic Affairs Committee, may by order amend the Fifth Addendum, and in the matter of an information source supervised by the Bank of Israel – the Minister, with the additional consent of the Governor, may by order amend the Fifth Addendum.
- (f) The Minister, with the consent of the Minister of Justice and the Governor, and in consultation with the relevant regulator and approval of the Economic Affairs Committee, may by order amend the Sixth, Seventh, Eighth, and Ninth Addenda, only if the base amount under the Sixth Addendum does not exceed NIS 300,000.
- (g) The Minister, with the consent of the Minister of Justice, may by order amend the Tenth Addendum.
- (h) The Minister, at the suggestion of, or in consultation with the ISA, with the consent of the Minister of Justice and approval of the Economic Affairs Committee, may by order amend the Eleventh Addendum.
- (i) The Minister, in consultation with the information source's regulator and approval of the Economic Affairs Committee, may by order amend the Twelfth Addendum, and in the matter of an information source supervised by the Bank of Israel — the Governor, with the consent of the Minister, and approval of the Economic Affairs Committee, may by order amend the Twelfth Addendum.

**Determining additional financial entities, representatives, and information sources**

68.

- (a) The Minister, with approval of the Economic Affairs Committee, may by order define financial entities in addition to those listed in the definition of "a financial entity" only if it is engaged in the field of finance and its operations in that field are subject to statutory supervision.
- (b) The Minister, with the consent of the Minister of Justice, in consultation with the information source's regulator and the service provider's regulator, and with the approval of the Economic Affairs Committee, may by order define representatives in addition to those listed in the definition of "a representative," only if its business is subject to a licensing requirement under another law and to rules of professional ethics by law.
- (b) The Minister may by order define information sources in addition to those listed in the definition of "an information source," only if it is engaged in the field of finance and its operations in that field are subject to statutory supervision; Such order will be issued after consultation with the regulator of that entity and approval of the Economic Affairs Committee, and with respect to an entity whose operations are supervised by the Bank of Israel – with the consent of the Governor and approval of the Economic Affairs Committee.



#### Determining a small volume of operations of an information source

69.

- (a) The Governor, with the consent of the Minister, may by order determine:
  - (1) With respect to the asset value of an information source that is a bank – a ratio other than the ratio defined in paragraph (1) of the definition of “low-volume operations”;
  - (2) With respect to a non-bank information source supervised by the Bank of Israel – a volume of operations below which operations are considered to be low-volume according to paragraph (2) of the definition of low-volume operations.”
- (b) The Minister, in consultation with an information source regulator, may by order determine:
  - (1) With respect to accrued credit of an information source that holds a license to grant credit or a license to operate a credit intermediation system, an amount other than the amount defined in paragraph (3) of the definition of “low-volume operations”;
  - (2) With respect to accrued deposit or accrued credit of an information source that holds a license to provide deposit and credit services, an amount other than the amount defined in paragraph (3) of the definition of “low-volume operations”;
- (c) The Minister, in consultation with the ISA and the information source regulator, and with the approval of the Economic Affairs Committee, may by order determine in the case of an information source that is not listed in paragraphs (1) to (3) of the definition of “low-volume operations,” a volume of operations below which operations are considered to be low-volume operations according to paragraph (4) of the definition of “low-volume operations.”

#### Execution and regulations

70.

- (a) The Minister is in charge of the execution of this law and may enact regulations for the purpose of its execution.
- (b) Regulations created under this law in the matter of service providers or information sources may be issued as a general rule or for specific classes of service providers or information sources; If the law determines that such regulations will be enacted in consultation with the service provider’s regulator or the information source’s regulator, consultation with the relevant service provider’s regulator or information source’s regulator will take place.
- (c) The Minister may define technological means other than the internet in the matter of the definition of “online.”

#### Coordination between regulators and maintenance of uniformity

71.

- (a) If the ISA wishes to issue regulatory directives under this law that will apply to service providers that are also entities supervised by the Capital Market Insurance and Savings Authority Commissioner or by the Supervisor of Financial Service Providers, the ISA may do so after consulting with said Commissioner or Supervisor or any employee thereof they authorized for this purpose, as relevant; The Commissioner, Supervisor, or any party so authorized will submit their position within Fourteen days of the date on which the ISA requested a consultation. If a position was not submitted within this period, the ISA may issue regulatory directives without said consultations.
- (b) The Minister may enact regulations on matters in which a regulator was granted powers to issue regulatory directives under this law, if one of the following obtains:
  - (1) The Minister finds it fit to do so in order to maintain the uniformity of directives issued under this law, which apply to different entities supervised by different regulators, or that apply to a single entity supervised by several regulators;
  - (2) The Minister finds it fit to do so in order to protect the customers' interests;
  - (3) No regulatory directives were issued under this law;
- (c) Regulations under subsection (b) will be enacted in consultation with the service provider regulator or the information source regulator, as relevant; Regulations in the matter of Section 24(2) will be enacted also in consultation with the Minister of Justice, and regulations in the matter of Sections 27(c)(1), 29(c)(3), 29(g), 35(b)(3), and 48(a)(1) and (2) – also with the consent of the Minister of Justice.
- (d) If the Minister issues regulations under subsection (b), the regulator may by regulatory directives issue rules on those matters in respect of which said regulations were enacted, subject to those regulations.

## **Chapter I: Indirect Amendments**

### **Amendment to the Securities Law – No. 70**

72. In the Securities Law 5728-1968<sup>20</sup> –

- (1) In Section 1 –
  - (a) After the definition of “Supervision of Provident Funds Law,” insert:  
“Account Information Service Law” – The Account Information Service Law 5782-2021<sup>21</sup>;”;
  - (b) In the definition of “supervised entity,” insert the following after paragraph (11):  
“(11A) a holder of a license to provide an account information service under the Account Information Service Law;”;

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<sup>20</sup> Book of Laws 5728, p. 234; 5779, p. 63.

<sup>21</sup> Book of Laws 5782, p. 288.

- (2) In Section 52EE, in the definition of “violation,” insert the following after paragraph (3):  
“(4) a violation as defined in Section 52 of the Account Information Service Law;”;
- (3) In Section 52DDD(a), insert the following after paragraph (7):  
“(8) An account information service provider as defined in the Account Information Service Law;”;
- (4) In Section 57EEE(1), after “issued to an offender according to the Joint Investment Law,” insert:  
“a license to provide an account information service or a control permit in a holder of said license issued to the offender under the Account Information Service Law”;
- (5) In Section 52MMM(b), after “offense as defined in Section 29 of The Investment Advice Law” insert:  
“an offense as defined in Section 63(c) of the Account Information Service Law.”

**Amendment to the Supervision of Regulated Financial Services Law (Regulated financial services) - No. 12**

73. In the Supervision of Regulated Financial Services Law (Regulated financial services) 5776-2016<sup>22</sup> -
- (1) Delete Chapter K1;
  - (2) In Section 71 –
    - (a) In the definition of “base amount,” delete paragraph (5);
    - (b) Delete the definition of “cost comparison service provider”;
    - (c) In the definition of “financial service provider,” delete: “and for the purpose of Section 72(b)(1), (29), (31), (32), (34) to (36), and (c)(4) and (6) and Sections 73 and 92 – also a cost comparison service provider”;
  - (3) In Section 72(b), delete paragraphs (35a) to (35f).
  - (4) In Section 114, delete subsection (b2).
  - (5) Delete Section 114A.

**Amendment to Credit Data Law – No. 3**

74. In the Credit Data Law 5776-2016<sup>23</sup> –
- (1) In Section 4(b), after paragraph (2), insert the following:  
“(3) An account information service provider, as defined in the Account Information Service Law 5781-2021<sup>24</sup>, may engage in the business of collecting and holding credit

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<sup>22</sup> Book of Laws 5776, p. 1098; 5779, p. 255.

<sup>23</sup> Book of Laws 5776, p. 838; 5779, p. 254.

<sup>24</sup> Book of Laws 5782, p. 288.

data for the purpose of transferring them to another party, and may transfer credit data to another party, as a business, as part of its operation as an account information service provider under said law.”;

- (2) In Section 13(2)(b), in lieu of “financial behavior” insert “economic conduct.”

**Amendment to the Criminal Records and Rehabilitation of Offenders Law – No. 25**

75. In the Criminal Records and Rehabilitation of Offenders Law 5741-1981<sup>25</sup> (in this chapter – The Criminal Records Law), in the First Addendum, after item (UU), insert:

“(UU1) The ISA Chairperson, ISA members appointed under Section 3 of The Securities Law, and an ISA employee authorized to engage in licensing — for the purpose of licensing of an account information service provider and issuing a control permit under Sections 4(b), 7, 9, and 11(a)(2) of The Account Information Service Law 5782-2021<sup>26</sup> and information on the controlling shareholder and senior officers of the applicant corporation and on senior officers of the controlling shareholder, all according to procedures to be determined.”

**The Criminal Records Law – Commencement**

76. Item UU in the First Addendum of The Criminal Records Law, in its format in this law, will come into effect on the publication date of this law.

**Amendment to the Criminal Information and Rehabilitation of Offenders Law – No. 2**

77. In the criminal Information and Rehabilitation of Offenders Law 5779-2019<sup>27</sup> (in this chapter – The Criminal Information Law), in the First Addendum, in item 5, after paragraph (22), insert:

“(23) The ISA Chairperson, ISA members appointed under Section 3 of The Securities Law, and ISA employee authorized to engage in licensing — for the purpose of licensing of an account information service provider and issuing a control permit under Sections 4(b), 7, 9, and 11(a)(2) of The Account Information Service Law 5782-2021<sup>28</sup> and information on the controlling shareholder and senior officers of the applicant corporation and on senior officers of the controlling shareholder, all according to procedures to be determined.”

**The Criminal Information Law – Commencement**

78. Item 5(23) in the First Addendum of The Criminal Information Law, in its format in this law, will come into effect on the effective date of The Criminal Information Law.

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<sup>25</sup> Book of Laws 5741, p. XXXX.

<sup>26</sup> Book of Laws 5782, p. 288.

<sup>27</sup> Book of Laws 5779, p. 298; 5781, p. 296

<sup>28</sup> Book of Laws 5782, p. 288.

## Chapter J: Commencement, Application, and Transition Provisions

### Commencement and Application

79. (a) This Law, excluding Sections 74 and 75, will come into effect on 15 Sivan 5782 (June 14, 2022) (“the Commencement Date).
- (b) Notwithstanding the provisions of subsection (a) –
- (1) With respect to an information source that is a bank or an auxiliary corporation, the provisions of this law will apply to the following information baskets and accounts, beginning from the date that appears alongside them:
    - (a) For the information baskets defined in items (4) and (5) in Part A of the Third Addendum – from 6 Heshvan 5783 (October 31, 2022);
    - (b) For the information basket defined in item (6) in Part A of the Third Addendum – from 25 Sivan 5783 (June 14, 2023);
    - (c) For accounts of corporations, with respect to all the information baskets that apply to an information source that is a bank or an auxiliary corporation under Part A of the Third Addendum – from 2 Tevet 5784 (December 14, 2023), however in the case of corporate accounts whose business turnover do not exceed NIS 5 million per year, and their account administered by an information source that is a bank or an auxiliary corporation defines only one authorized signatory, excluding with respect to item 6 in Part A of the Third Addendum – 9 Shvat 5783 (January 31, 2023);
  - (2) With respect to an information source that is a clearing institution, the provisions of this law will apply to the following information baskets and accounts, beginning from the date that appears alongside them:
    - (a) For the information baskets listed in item (4) in Part A of the Third Addendum, as applied in item (1) in Part B of the Third Addendum – 6 Heshvan 5783 (October 31, 2022);
    - (b) For corporate accounts, with respect to all the information baskets that apply to an information source that is a clearing institution under Part B of the Third Addendum – 2 Tevet 5784 (December 14, 2023), however in the case of corporate accounts whose business turnover do not exceed NIS 5 million per year, and their account administered by an information source that is a clearing institution defines only one authorized signatory – 9 Shvat 5783 (January 31, 2023);.

- (3) With respect to an information source that holds a license to provide credit and deposit services, the provisions of this law will apply to the following information baskets and accounts – beginning from 7 Iyar 5784 (May 15, 2024):
  - (a) For the information baskets listed in item (1) in Part A of the Third Addendum, as applied in item (1) in Part C of the Third Addendum;
  - (b) For the information baskets listed in item (2) in Part A of the Third Addendum, as applied in item (1) in Part C of the Third Addendum;
  - (c) For the information baskets listed in item (3) in Part A of the Third Addendum, as applied in item (1) in Part C of the Third Addendum;
  - (d) For the information baskets listed in item (4) in Part A of the Third Addendum, as applied in item (1) in Part C of the Third Addendum;
  - (e) For the information baskets listed in item (5) in Part A of the Third Addendum, as applied in item (1) in Part C of the Third Addendum;
  - (f) For the information baskets listed in item (6) in Part A of the Third Addendum, as applied in item (1) in Part C of the Third Addendum;
  - (g) For corporate accounts, in the matter of all the information baskets that apply to that information source under Part C of the Third Addendum.
- (4) With respect to an information source that is an institutional entity, the provisions of this law will apply to the following information baskets and accounts, beginning from the date that appears alongside them:
  - (a) For the information baskets listed in item (4) in Part A of the Third Addendum, as applied in item (1) in Part D of the Third Addendum – from 1 Kislev 5784 (November 14, 2023);
  - (b) For corporate accounts, with respect to all the information baskets that apply to that information source under Part D of the Third Addendum – 7 Iyar 5784 (May 15, 2024).
- (5) With respect to an information source that holds a license to grant credit and a license to operate a credit intermediation system, the provisions of this law will apply to the following information baskets and accounts, beginning from 13 Heshvan 5785 (November 14, 2024):
  - (a) The information baskets listed in item (4) in Part A of the Third Addendum, as applied in item (1) in Part D of the Third Addendum;
  - (b) For corporate accounts, with respect to all the information baskets that apply to that information source under Part D of the Third Addendum;
- (6) Section 57(b) and item (19) of Part B of the Seventh Addendum will come into force at the end of the transition period as stated in paragraph (2) of the definition of “transition period” in Section 81(a).

- (c) The Minister may postpone, by order and with approval of the Economic Affairs Committee, the dates stated in subsections (a) and (b), only if the Minister does not postpone any of said dates by more than two periods of up to six months each; the postponement may be made for all classes of information sources or classes of information baskets, and in the case of corporate accounts may be in respect of all corporations or specific classes of corporations;

**Transition provisions in the matter of joint account held jointly and severally**

80. (a) In this Section “a joint account jointly and severally” – a joint account in which an agreement with an information source was contracted prior to the commencement date, and in which it was determined that each account holder may issue orders in the account without the consent of the other account holder;
- (b) An information source will notify the account holders of a joint account jointly and severally that access permission granted by any of them will be considered to be access permission granted by all account holders; An information source’s notice under this subsection will be sent at least 21 days before the commencement date;
- (c) An information source regulator will determine, in regulatory directives, rules on the matter of the information source’s notification under subsection (b), including the information to be included in the notification and its manner of dispatch; Said directives will be issued no later than the date stated in Section 82(b).

**Transition provisions in the matter of a veteran dealer**

81. (a) In this Section -
- “Access using a customer’s details” – access to account information about a customer that is in the possession of an information source, through an online system, using the customer’s access details as stated in Section 60;
- “Applicant” – whoever filed an application for a license or authorization before the commencement date, and no decision on the application was made by the ISA or the regulator, as relevant, before the commencement date, only if that the applicant received confirmation from the ISA or the regulator that the application was filed;
- “Information originating from customer’s details” – account information about the customer that is obtained from an information source, through access using the customer’s details;
- “Veteran dealer” – an applicant or a service provider that was, on the eve of the publication of this law, engaged in providing a service to a customer related to the customer’s economic conduct, as stated in Section 25(a), based on information originating from the customer’s details;
- “Transition period” – as stated below, as relevant:
- (1) For a veteran dealer that is an applicant – until a decision on their application is made by the ISA or the regulator, as relevant;

- (2) For a veteran dealer that is a service provider – until the elapse of one year from the commencement date of this law, according to Section 79(b); for corporate accounts administered by a bank or an auxiliary corporation as stated in Section 79(b)(1)(c) – or until the elapse of one year from the commencement date of this law with respect to the information basket listed in item (6) in Part A of the Third Addendum, as stated in Section 79(b)(1)(b), the later of those dates.
- (b) Notwithstanding the provisions of Section 60, if a veteran dealer received, on the eve of the publication of this law, account information from an information source through access granted based on a customer’s details, that veteran dealer may, during the transition period, continue to access account information about its customers that is in the possession of that information source using the customer’s details. With respect to information originating from a customer’s details, said veteran dealer will be subject to the directives issued under this law that apply to a service provider regarding account information that is collected by the account information interface system, excluding the provisions of Chapters E to G, all with the necessary changes, and with the following changes:
  - (1) Section 25(c) will not apply;
  - (2) In the matter of Section 26 -
    - (a) The obligation to enter into an agreement as stated in that section will not apply with respect to a customer that entered into an agreement with the veteran dealer before the commencement date and within six months after the commencement date, all with respect to information originating from the customer’s details;
    - (b) The obligation under subsection (a)(2) of that section to allow a customer, within an agreement, to select the information baskets to which the customer consents to give access to the service provider, will not apply with respect to information originating from the customer’s details;
  - (3) In the matter of Section 28 –
    - (a) In subsection (a) of that section, the words “the information baskets” will not apply;
    - (b) In subsection (c), paragraph (2) will not apply.
    - (c) Subsection (d) – will not apply.
- (c) Notwithstanding the provisions of subsection (b), the Minister will determine, with the consent of the Minister of Justice, that the provisions of chapters E through G, either in entirety or in specific sections as they determine, will apply with respect to a violation of the provisions of this law by a veteran dealer, and the Minister may determine that the provisions of said chapters will apply with certain conditions and modifications as determined.
- (d) A financial entity, representative, service provider, or other entity that, as determined under Section 29(f)(2)(b) and (c), that obtains information from a veteran dealer, originating from customer’s details, pursuant to the provisions of Section 29, as applied in subsection (b), will be subject to the provisions of said section in the matter of the said information as well.
- (e) An information source will not prevent, for unreasonable cause, from a veteran dealer to continue to obtain information originating in a customer’s details, pursuant to the



provisions of subsection (b), during the transition period, through the technological means that were used before the publication date of this law, only if with respect to the veteran dealer that is an applicant – the veteran dealer presented to the information source a confirmation issued by the ISA or the regulator, as relevant, that its application for a license or authorization was filed.

#### **Initial regulatory directives**

82. (a) Initial regulatory directives of the service provider's regulator on the following matters will be issued at the latest on the dates appearing alongside them:
- (1) Directives under Sections 27(c)(1), 35(b) and 36(a) and (b) – three months before the commencement date;
  - (2) Directives under Section 29(g) – two months before the commencement date;
  - (3) Directives under Section 24(2) – one month before the commencement date;
  - (4) Directives under Section 26(b) – three months from the commencement date.
- (b) The initial regulatory directives of the information source's regulator under Sections 41(a)(4), 48(a), and 80(c) will be issued at least three months before the commencement date of the law with respect to an information source under Section 79, as relevant.
- (c) If the service provider's regulator or the information source's regulator failed to issue initial regulatory directives by the dates stated in subsections (a) and (b), the Minister, by the power vested in him in Section 71(b), will enact regulations on the matters in respect of which initial regulatory directives should have been issued under this section.

#### **Reporting to the Knesset – Temporary provision**

83. (a) The Minister will report to the Economic Affairs Committee once a year, beginning from 25 Sivan 5783 (June 14, 2023) and for five years from that date, on the implementation of the provisions of this law in the year preceding to the reporting date (in this subsection – the reporting period), including on the following:
- (1) Changes that occurred in the reporting period, based on accepted competition benchmarks, with respect to the products and services included in the information baskets to which this law applies in the reporting period, and with respect to the scope of use of account information services.
  - (2) Changes in household expenditure on financial products and services with respect to the products and services included in the information baskets to which this law applies in the reporting period;
  - (3) The number of applications for a license or authorization to provide an account information service that were filed, the number of issues and authorizations that were

issued, and the number of entities exempt from a licensing or authorization requirement under Section 3(b), in the reporting period;

- (4) The number of complaints that customers filed to the service provider's regulator in the reporting period and how improprieties that were discovered were handled, if discovered;
  - (5) The regulators' compliance with the duty to issue initial regulatory directives under Section 82;
  - (6) The supervisory and enforcement actions taken under this law, including the number of monetary fines imposed for a violation thereof, and the violations in respect of which the fines were imposed;
  - (7) The fees that an information source charges a service provider in the reporting period for access to account information under Section 46.
- (b) Notwithstanding the provisions of subsection (a), the initial report under subsection (a) will include the information listed in paragraphs (3) to (7) of said subsection, as well as information on preparations made to implement the law.
- (c) Each regulator will submit to the Minister, no later than March 31 of each year in the reporting period, the information required for the report under this Section.

### **First Addendum**

(Definition of "regulatory directives" in Section 1)

Regulatory directives with respect to a regulator of an entity defined in regulations

### **Second Addendum**

(Definition of "account information interface system" in Section 1)

#### **Features of an account information interface system**

- (1) Direct communication between an information source and a service provider that is conducted through an application programming interface (API) on a secured traffic layer.
- (2) The service provider's identity must be authenticated by the information source every time the service provider contacts the information service for access to the account information that is in the possession of the information source. Authentication is performed using a digitally signed certificate issued by the service provider's regulator for the purpose of obtaining said access.
- (3) The system components enable for a customer to grant access permission, cancel access permission, and grant continuous access to the customer's account information by the service provider according to the access permission.

### **Third Addendum**

(Definition of "information baskets" in Section 1)

## **Information baskets**

### **Part A**

#### **Information baskets with respect to an information source that is a bank or an auxiliary corporation**

- (1) Information about a payment account, as defined in The Payment Services Law, in new Israeli shekels, including details of the account balances and details of all the debits and credits in the account;
- (2) Information about a payment account, as defined in The Payment Services Law, in a foreign currency, including details of the account balances and details of all the debits and credits in the account;
- (3) Information about a debit card, as defined in Section 11B of The Banking Law (Licensing), including details of the debits and credits through the card, and the fees for card use;
- (4) Information about credit – including details of credit balances, interest, and fees agreed upon in connection to the credit, maturity dates, and pledges registered against the credit;
- (5) Information about savings – including total savings, interest, linkage, and fees agreed upon in connection with the savings, permitted withdrawal dates, and end date;
- (6) Information about securities – including classes of securities, activity involving securities, fees paid in connection with the securities portfolio; For this purpose, “securities” – as this term defined in Section 52 of The Securities Law, including financial assets as defined in The Investment Advice Law, excluding education funds.

### **Part B**

#### **Information baskets with respect to an information source that is a clearing institution**

- (1) Each of the information baskets listed in items (1) to (4) of Part A.

### **Part C**

#### **Information baskets with respect to an information source that is a holder of a license to provide credit and deposit services**

- (1) Each of the information baskets listed in items (1) to (6) of Part A.

### **Part D**

#### **Information baskets with respect to an information source that is an institutional entity, a holder of a license to provide credit and deposit services, and a holder of a license to operate a credit intermediation system**

- (1) The information basket listed in item (4) in Part A.

## **Fourth Addendum**

(Definition of “product or similar service” in Section 25(d)(1)(b))

### **Types of products or services**

- (1) Savings and investment products – any financial product that may be used for short- and intermediate-term savings, including interest-bearing deposits, investment provident funds, education funds, securities as defined in Section 52 of The Securities Law, mutual funds, index products, and various types of savings plans.

### **Fifth Addendum**

(Section 46)

#### **Provisions in the matter of collecting a fee from a service provider by an information source**

- (1) An information source may collect a fee from a service provider for access to account information as stated in Section 46, beginning from the fifth request of a service provider to the information source in the same day and on the basis of all the access permissions that the customer gave the service provider; For this purpose –
  - (a) All the requests that a service provider submitted to an information source through the account information interface system, based on all the access permissions that a customer gave the service provider, within a 10-minute interval, will be considered a single request;
  - (b) A request by a service provider to an information source that is submitted while the customer is directly connected online to the service provider for the purpose of obtaining services from it that entail access to the information that is the subject of the request, will not be counted in the requests under this paragraph.

### **Sixth Addendum**

(Definition of “the base amount” in Section 49)

#### **The Base Amount**

- (1) With respect to a license holder – NIS 25,000;
- (2) With respect to a bank, an auxiliary corporation, or a clearing institution – NIS 10,000;
- (3) With respect to an insurer – NIS 100,000;
- (4) With respect to a managing company – the amount stated below, based on the provident fund’s total assets under management, as defined in the Supervision of Provident Funds Law:
  - (a) If the provident fund’s assets under management are or less NIS 10 billion – NIS 50,000;
  - (b) If the provident fund’s assets under management are more than NIS 10 billion – NIS 100,000.
- (5) With respect to a holder of license to provide credit and deposit services, a license to grant credit, or a license to operate a credit intermediation system – NIS 50,000;
- (6) With respect to a credit bureau and a dealers information bureau – NIS 50,000;
- (7) With respect to a holder of a portfolio management license – the amount stated below, based on its total asset value, as defined in the First Addendum A of The Investment Advice Law:
  - (a) If its total asset value is or less than NIS 1 billion – NIS 50,000;
  - (b) If its total asset value is more than NIS 1 billion – NIS 100,000.
- (8) With respect to a holder of a control permit – NIS 6,000.

## **Seventh Addendum**

(Section 50(b))

### **Violations by a Service Provider**

#### **Part A**

- (1) Failure to report to the ISA the existence of any circumstance listed in Section 27c(1) to (6) of The Investment Advice Law, with respect to the service provider or a senior officer thereof, in violation of the provisions of Section 20(a).
- (2) Failed to permit a customer to terminate their agreement with the service provider or limit its scope, at any time, in violation of the provisions of Section 28(a), or failed to permit a customer to terminate or reduce the scope of said agreement by giving online notice, in violation of the provisions of Section 28(b).
- (3) Failed to disclose to a customer the details listed in Section 33(1) to (4), in violation of the provisions of that section.
- (4) Failed to comply with the requirements related to insurance, minimum shareholders' capital, or other collateral, as the ISA determined in regulatory directives, in violation of the provisions of Section 36(a).
- (5) Violated directives issued by the service provider's regulator under Section 37.

#### **Part B**

- (1) Failed to maintain confidentiality of information about the customer, including documents that were conveyed to the service provider and their contents, or any other detail referring to actions that the service provider performed within the provision of their service to the customer, in violation of the provisions of Section 23.
- (2) Received, directly or indirectly, benefits in connection with services rendered, in violation of the provisions of Section 24.
- (3) Collected, received, or made use of account information other than for the purpose of providing services to a customer with respect to the customer's economic conduct, on the basis of said information, or without the customer's explicit consent in an agreement with the service provider, in violation of the provisions of Section 25(a), (b), or (d)(3).
- (4) Collected, received, or made use of account information in order to make an offer on its own behalf to contract with the customer with respect to a financial product or service that meets the conditions of Section 25(d)(1), in violation of the provisions of that section.
- (5) Made use of account information that it collected or received from another party for statistical purposes without having obtained the customer's explicit consent, in violation of the provisions of Section 25(d)(2).
- (6) Contracted with the customer to provide an account information service without a written agreement, or failed to allow the customer to select, within said agreement, the matters listed in paragraphs (1) to (3) of Section 26(a), in violation of the provisions of that section, or failed to draft the agreement according to regulatory directives issued under Section 26(d).

- (7) Failed to take the necessary action to ensure that the customer is aware that the access permission is in effect pursuant to the customer's consent, in violation of regulatory directives issued under Section 26(b).
- (8) Retained account information about the customer for a period of more than three years, or a shorter period if one was determined under Section 27(a), without the customer's explicit written consent, or retained said information for a period of more than seven years, or a shorter period if one was determined under that section, all in violation of the provisions of that section.
- (9) Retain account information that was required by the service provider for a legal proceeding or an internal audit proceeding or statutory supervision, in violation of the provisions of Section 27(c)(1) or to the rules that the service provider's regulator made under said section; made use of said information for purposes other than those listed in Section 27(c)(2); or failed to ensure that access to the information would be as stated in Section 27(c)(3).
- (10) Failed to delete account information about the customer at the end of seven years from end of the service period, in violation of the provisions of Section 27(c)(4).
- (11) Failed to notify the information source of the termination of the agreement or the reduction of its scope within two days, in violation of the provisions of Section 28(c)(2).
- (12) Failed, in response to the customer's notice, to delete account information that is no longer needed to provide services to the customer, in violation of the provisions of Section 28(c)(3).
- (13) Transferred a customer's account information to another party that is not listed in Section 29(a) or defined in subsection (f)(2)(b) or (c) of said section, or transferred a customer's account information to such entity in violation of the conditions and the regulatory directives issued by the service provider's regulator under Section 29(a) and (f)(2)(b), (c), or (g).
- (14) Transferred account information to an entity listed in Section 29(a) without notifying it, in its agreement with it, that the information was received from the information source through the account information interface system, in violation of the provisions of Section 29(b).
- (15) Failed to immediately notify the service provider's regulator, the information source, the registrar as defined in Section 31(a), or another service provider, if it received information from it, of a severe security incident, in violation of the provisions of that section.
- (16) Acted under a conflict of interest as stated in the regulations issued under Section 32(b)(1), in violation of the provisions of Section 32(a), if such regulations provide that a monetary sanction may be imposed in respect of such action.
- (17) Provided a cost comparison service or an intermediation services with respect to a financial product or service as stated in sub-paragraphs (a) or (b) of Section 32(b)(2), in violation of the provisions of that section.
- (18) Performed an action that may mislead a customer on a material matter, in a transaction to provide an account information service, in violation of the provisions of Section 34.
- (19) Failed to ensure the existence of adequate information security, risk management, and cyber-defense mechanisms, in violation of regulatory directives issued by the service provider's regulator pursuant to the provisions of Section 35(b).
- (20) Failed to file a report or notification to the ISA, pursuant to directives issued by the ISA, in violation of the provisions of Section 36(b), or failed to give the ISA explanations, details, information, or documents related to the information included in said report or notification at the demand of the ISA or an ISA employee who is authorized for this matter, in violation of the provisions of Section 36(c).

- (21) Accessed, as a business practice, to account information about a customer, that is in the possession of an information source, through an online system, using the customer's access details that are designed for authenticating its identity with the information source, in order to provide services to the customer that are related to their economic conduct, in violation of the provisions of Section 60.
- (22) Failed to correct an information defect for which it is responsible, in violation of the provisions of Section 61(c).
- (23) Violated a directive that the ISA issued under Section 63(b).

### **Eighth Addendum**

(Section 50(c))

#### **Violations by an Information Source**

##### **Part A**

- (1) Failed to notify the information source's regulator regarding a severe security incident after having received notice of the same, in violation of the provisions of Section 31(a).
- (2) Made access to account information about a customer in its possession conditional, through the account information interface system, and with the existence of an agreement between it and the service provider, in violation of the provisions of Section 39(b).
- (3) Failed to permit the customer to give access permission, or failed to permit the customer to include in an access permission the details listed in paragraphs (1) to (3) of Section 40(a), in violation of the provisions of that section.
- (4) Failed to notify the service provider, as soon as possible, that it did not grant it access to account information, failed to notify the information source's regulator of the same, failed to document the failure to provide access and the reasons for it, or failed to retain the documentation, all in violation of the provisions of Section 41(a)(2) or the regulatory directives that were issued on these matters under Section 41(a)(4).
- (5) Granted a service provider access through the account information interface system, without authenticating the service provider's identity pursuant to the directives issued by the information source's regulator, in violation of the provisions of Section 42.
- (6) Failed to notify all the holders of a joint account of access permission given by one of them, or their right to cancel the access permission, in violation of the provisions of Section 43(b).
- (7) Failed to notify the holders of a joint account jointly or severally, when signing an agreement with them, that access permission under this law by any one of them is considered access permission granted by all account holders, in violation of the provisions of Section 43(d).
- (8) Failed to permit an account holder of a corporate account to authorize a signatory at any time, or failed to propose to said account holder to authorize a signatory when the account was opened, in violation of the provisions of Section 44(a).
- (9) Presented a position or a warning to a customer about granting access to account information to the service provider or regarding the quality of service given by the service provider, as stated in Section 47(b), or performed an action that constitutes the exercise of unfair influence on the customer, as stated in the regulations issued under Section 47(c), if such regulations determine that a monetary fine can be imposed in respect thereof, all in violation of the provisions of Section 47(a).

- (10) Violated directives issued by the information source's regulator in regulatory directives, under Section 48.

### **Part B**

- (1) Failed to give a service provider access to account information about a customer that is in its possession, through the account information interface system, even though the customer gave access permission, or otherwise gave a service provider such access in violation of the customer's access permission, all in violation of the provisions of Section 39(a).
- (2) Allow a service provider access to information about a joint account without access permission being granted by all account holders, in violation of the provisions of Section 43(a).
- (3) Failed to permit an entity listed in Section 45(a)(1) to (3) to cancel the access permission that it granted, at any time, in violation of the provisions of that subsection, or failed to allow such entity to cancel the access permission that it gave by online notice, in violation of the provisions of Section 45(b).
- (4) Collected a fee from an account holder for granting or terminating access, or for granting access to the service provider according to the access permission, in violation of the provisions of Section 46(a).
- (5) Collected a fee from a service provider for granting access to account information that it possesses in violation of the provisions of the Fifth Addendum, or collected a fee from the service provider for granting or terminating access, in violation of the provisions of Section 46(b).

### **Ninth Addendum**

(Section 50(d))

#### **Violations by a Financial Entity**

- (1) Transferred to another party account information about a customer that it received from a service provider, in violation of the provisions of Section 29(c)(1);
- (2) Made use of account information about a customer that it received from a service provider, for uses other than those determined under Section 29(c)(2) or (f)(2)(a).
- (3) Failed to retain account information about a customer that it received from a service provider, in a secure manner that prevents information leakage and unauthorized access, and in violation of the directives of the financial entity's regulator, in violation of the provisions of Section 29(c)(3):
- (4)** Failed to delete the account information about a customer that it received from the service provider within 30 days of receiving said information, in violation of the provisions of Section 29(c)(4).

### **Tenth Addendum**

(Section 51(7))

Identity of the regulator and provisions of the law that will apply to the imposition of a monetary fine on a violator that is a financial entity or an information source defined in regulations



### **Eleventh Addendum**

(definition of “violation” in Section 52)

#### **Violations concerning the imposition of administrative enforcement measures by the Administrative Enforcement Committee**

- (1) Any party engaged in providing an account information service without a license or in violation of the terms of the license, in violation of the provisions of Section 2(a).
- (2) Any party that controlled a holder of a license without a control permit, in violation to the provisions of Section 9(a).
- (3) Any party that transferred means of control in a holder of a license to another party, and should have known that the transferee required yet lacked such a control permit, in violation of the provisions of Section 10.
- (4) Any party that failed to comply with a directive issued with respect to it under Section 12(a) to (c).
- (5) Any party that holds a license or applied for a license and that included in the application, the report or in other information filed to the ISA, misleading information, in violation of the provisions of Section 36(d), and that should have known that the information could mislead the ISA.

### **Twelfth Addendum**

(Section 65(a))

#### **Types of accounts to which the obligation under Section 39 of the law will not apply**

- (1) An account whose account holder is a minor.
- (2) An account managed by the account holder’s legal guardian.
- (3) An account in respect of which no consent was granted in the agreement with the information source, to execute of transactions through online channels.
- (4) An account in respect of which of which no consent was granted in the agreement with the information source, to display the customer’s information on online channels.