



ISRAEL SECURITIES AUTHORITY

14th August, 2019

Request for public comments on Operating as Retail Broker in Israel

Through this Request for Information, the Israel Securities Authority (ISA) and the Tel Aviv Stock Exchange (TASE) wish to reach out to all parties considering the option of operating as retail brokers, either in securities trading or in the distribution of mutual funds to the general public.

The ISA and the TASE have recently met with several stakeholders to discuss this issue, and intend to promote changes in regulation and the TASE rules to create a more lenient environment for retail brokers operating in the local market, with emphasis on reducing capital requirements and full digitization of the process of opening a securities account.

This move follows the strategic plans of the ISA and the TASE to promote technological innovation in the capital market and to reduce the costs of financial services, and is in direct line with the Portfolio Management 2.0 model that was recently published for public comments with the aim of initiating a revolution in the field of investment management.

The ISA and the TASE are willing to consider regulatory changes and modifications to the TASE rules and regulations to assist all the relevant parties who wish to function as retail brokers, insofar as these might be necessary for and contribute to this move.

The ISA and the TASE therefore request that anyone interested in considering future operations as a retail broker on the local capital market contact us and describe the considerations relevant for such a decision, the challenges they identify in such operations, and conditions they believe are necessary for success.

Persons interested in considering future operations as a retail broker are requested to contact us with their comments no later than 09.15.2019 by email to the ISA'S director of the stock Exchange and Trading Platforms Supervision Department, CPA. Itzik Shurki: ItzikS@isa.gov.il Or, to the TASE's Membership & Supervision Department, Mrs. Clara Goldstein: Clara@tase.co.il