



Israel Securities Authority

Department for Supervision of the Secondary Market

The ISA Department for Supervision of the Secondary Market coordinates the issues of control and supervision pertaining to the appropriate and fair management of the stock exchange. The department's authority originates from the Securities Law Regulations, particularly from provisions under Chapter 8 of the Law – defining the supervisory authority of the ISA vis-à-vis the TASE regulations and the oversight over the appropriate and fair management of the stock exchange.

The department ensures the existence of on-going supervision over the clearing department of the stock exchange, as defined under section 50A of the Law, to guarantee its stability and effectiveness. The ISA Department of Supervision examines, inter alia, the compliance of the TASE's clearing department with the requirements imposed upon its paying system, in accordance with the international standards.

The ISA Department of Supervision will also insure that TASE's supervision of its members is concentrating on major issues and uses the appropriate auditing tools in order to minimize possible failures and risks embedded in the activities of stock exchange members.

In their role as observers, the representatives of the ISA Department of Supervision endorse the rules regulating the activities of the TASE's board of directors, TASE departments and its various committees.

The Department deals with trade supervision, in order to identify and analyze irregular transactions adversely affecting the trade on the stock exchange and which also might indicate the breach of the Securities Law. Trade supervision is carried out by means of computerized control systems developed by the ISA. The examination process includes assessment of explanations pertaining to irregular transactions in securities and the channeling of further investigation, of the aforesaid irregularities, to appropriate ISA' departments. The Department also provides professional assistance and information to the Office of District Attorney and other ISA' departments.