By virtue of the power vested in me under Sections 28B and 32(c) of the Prohibition of Money Laundering Law, 5760-2000 (hereinafter referred to as - the Law), and Section 48 of the Prohibition of Financing of Terrorism Law, 5765-2005 (hereinafter referred to as - Prohibition of Financing Terrorism Law), following consultation with the Minister of Public Security, and with the approval of the Constitution, Law and Justice Committee of the Knesset, I hereby order as follows:

Chapter 1: Interpretation

Definitions

1 In this Order -

"region"- any of the following: Judea and Samaria and the Gaza Strip;

"foreign politically exposed person" - a foreign resident who holds a senior public position abroad, including a relative of a resident as aforesaid or a corporation under his control or a business partner of one of them; in this context, "senior public position" - including a head of state, president of a state, mayor, judge, member of parliament, government minister or a senior army or police officer, or anyone actually holding such office as aforesaid even if his official title is different;

"relative"- as defined in the Securities Law, 5728-1968,

"controlling shareholder "- a person who controls a corporation, as defined in Section 7(a)(1) (b) of the Law;

"the National Institutions” - the World Zionist Federation, the Jewish Agency for Israel, the Jewish National Fund and the Foundation Fund (Keren Hayesod) - the United Israel Appeal;

"the civil administration"- the Civil Administration established by the Commander of the Israel Defense Forces in the Judea and Samaria Region;

"the supervisor"- as defined in Section 12 of the Law;

"the competent authority"- defined in Section 29 of the Law;

"the list"- a centralized list of designated terrorist organizations and of people designated as terrorists published by virtue of regulations according to Section 47(b)(1)(c) of the Prohibition of Financing Terrorism Law, and the link to it published on the Supervisor's internet website; and such organization regarding which or person regarding whom a notification designating it or him has been served on the business service provider in a manner specified in Section 47 of the Prohibition of Financing Terrorism Law and the
DNFBP business service provider has not received a notice cancelling that notification;

"individual" - someone who is not a corporation or a public institution, nor an entity established by legislation or is not a corporation established by legislation abroad;

"repeated customer" - a customer to whom the business service provider has provided a business service on one occasion at least during a period of one year prior to the business service request, or a customer to whom the business service provider has provided a business service at least twice during the period of four years prior to the business service request or a customer who the business service provider wishes to define as a repeated customer and has so notified the customer;

"public institution" - local authorities and the national institutions;

"an entity established by legislation" - authorities, corporations or other institutions established in Israel by legislation;

"Identity Number" -

(1) of an individual who is a resident - identity number as recorded in the population register;

(2) of an individual who is a foreign resident - passport number or *laissez passer* number and the name of the country which issued the passport or *laissez passer*; for an individual who is a resident of an Region the identity number may also the number recorded on the magnetic card issued by the Civil Administration;

(3) of a corporation registered in Israel - the registration number in the relevant register;

(4) of a corporation which is not registered in Israel - its registration number, if any, in the country where it was incorporated, and the name of the country; and in the case of a corporation identified by means of a document pursuant to Section 3 (a)(4) - identification number in that document and the name of the country in which the document was issued; if a registration does not exist for corporations of that category the internal registration number kept by the business service provider;

(5) of a public institution, of an entity established by legislation and of a foreign corporation established by legislation - the registration number which the business service provider shall allocate to it;

"Address" -

(1) of an individual - his documented address pursuant to subsections 3 (a)(1) and (2), or his place of residence as he provided it, including the name of the town, and street, the house number and the postal code, if such information exists, and in the case of a foreign resident the name of the country as well;
(2) of a corporation - its documented address pursuant to Sections 3(a)(3) and (4) or the address of its place of business in Israel, and if no place of business in Israel exists - the location of its main place of business abroad, all as it provided; the address shall include the name of the town, also the name of the street, the number of the house and the postal code, if such information exists, and in the case of a corporation not registered in Israel - the name of the country as well;

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

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

"Name"-

(1) of an individual, surname and given name as recorded in the identification document pursuant to Section 3;

(2) of a corporation - its registered name, and if it was incorporated in a country where no registration exists for that type of corporation - the name that it provided;

(3) of an entity established by legislation and of a corporation abroad established by legislation - the name prescribed in the legislation, whether in Israel or abroad;

(4) of a public institution - its name as provided by it;

"Corporation"-

(1) a company, partnership, cooperative society, Ottoman Society, a non-profit association or a political party registered in Israel;

(2) an entity registered abroad as a corporate body;

(3) an entity incorporated in a country where no registration exists for that type of entity, provided that it produced a document attesting to it being a corporation;

"resident"- as such is defined in the Population Registry Law, 5725-1965, including an Israeli citizen who is not a resident as aforesaid;

"resident of the region"- a person who is registered in the Population Register of the region;

"foreign resident"- a person who is not a resident.
Chapter Two: Identification Requirements

(a) A business service provider shall not provide a service to a customer without having first identified the customer and without undertaken a customer due diligence procedure pursuant to the form included in the First Schedule; However, in the case of a repeated customer, a business service provider shall undertake a customer due diligence procedure only at the time of the initial contract with him, and also in a case in which the business service being requested is materially different from the manner in which the business service provider is familiar with the customer from previous services that he provided to the customer.

(b) Where the customer has provided identification data or identification documents which are apparently unreasonable, in relation to the identity of the customer or the beneficiary, the business service provider shall undertake a customer due diligence procedure once again, before providing a business service for him, or shall clarify the matters with the customer; where a repeated customer has provided data and documents as aforesaid which are apparently unreasonable, in relation to an additional business service being requested for him, the business service provider shall undertaken a customer due diligence procedure once again before providing the additional business service for him or shall clarify the matters with him;

(c) A business service provider shall scrutinize the identification data provided to him pursuant to the form in the First Schedule, shall evaluate the risk of money laundering and of terrorist financing, and shall record on the form in the First Schedule the date of the evaluation as aforesaid; the risk evaluation shall be based, inter alia, on the customer's characteristics, the type of business service requested, the source of the funds for the business service, the reasonability of the data included in the form contained in the First Schedule, as well as information published on the internet website of the Supervisor; without prejudice to the generality of the foregoing, the circumstances enumerated in the Fourth Schedule can be considered as an indication of a high risk having regard to the information or explanation that could reduce the risk; when the business service provider made a documentary record of evaluation of the risk or additional clarification as to which, the provisions of Section 10 shall not apply to such documentary record.

(d) Notwithstanding what is stated in subsection (a), where the customer is a public institution, the business service provider shall identify the representative acting on behalf of the public institution and shall procure his signature on the form contained in the Third Schedule.

(e) For the purposes of implementation of this section, the business service provider shall proceed in accordance with the Fifth Schedule; a business service provider may prescribe other procedures for the purpose of implementation of the requirements pursuant to this Order.
Verification of identification data and obtaining of documents

(a) A business service provider shall verify the customer's identification data and obtain the documents as described hereinafter:

(1) For an individual who is a resident, in the matter of a name, identification number, date of birth and gender - an identity card or a certified copy of it, a photocopy of one of which insofar as the certificate relates to such identification data, shall be retained by the business service provider; for the purposes of this subsection, an immigrant certificate up to 30 days from the date of issue, a valid Israeli Passport issued pursuant to the Passports Law, 5712-1952 and a valid driving license, which includes a photograph of the license holder, issued pursuant to the Traffic Ordinance, shall be regarded as an identity card;

(2) For an individual who is a foreign resident, in the matter of recording of the identification data as per subsection (1) - a foreign passport or laissez passer or a certified copy of it, the photocopy of the identification certificates, insofar as they relate to such identification data - shall be retained by the business service provider; For an individual who is a resident of the Region, the business service provider may also record his identification data according to a magnetic card which was issued by the Civil Administration, a photocopy of the identification certificates, insofar as they relate to such identification data - shall be retained by the business service provider;

(3) For a corporation registered in Israel, in the matter of its name, its identification number and its date of incorporation - as per an up to date extract of the Company details taken from the Registrar of Companies or the registration certificate or as per a certified copy of it; if one of the said particulars does not appear in the certificate - according to an attorney’s authorization certificate; a certified copy of a power of attorney to a representative on behalf of the corporation to receive the business service on its behalf; a business service provider shall obtain these documents or photocopies of them:

(4) For a corporation that is not registered in Israel, in the matter of its name, its identification number and date of its incorporation and its address- as per a document attesting to its registration or a certified copy of the said document, insofar as such data appear in the document; if one of the said particulars does not appear in the document - in accordance with an attorney’s authorization certificate; a business service provider shall obtain possession of a document attesting to registration of the corporation and a document as stated in subsection (3); for a corporation incorporated in a country in which there is no register in respect of corporations of its type, the business service provider shall obtain an authorization certificate from an attorney confirming that there is no registration in the country of incorporation; a business service provider shall retain these documents or photocopies of them;

(5) For an entity established by legislation and for a corporation
established by legislation abroad, as per the legislation by virtue of which the entity or corporation was established or an attorney’s authorization certificate that such legislation exists; a business service provider shall obtain these documents or photocopies of them;

(6) For a minor aged less than 16 years - an identification document of one of his guardians;

(b) In this section, "attorney" - a person licensed to practice law in Israel, and in relation to a corporation not registered in Israel, also an attorney who is licensed in a member country of the Organization for Economic Cooperation and Development (OECD) or an attorney licensed to practice law in the countries of incorporation of the corporation, provided that the country or territory in which the corporation was incorporated is not listed in the Second Schedule;

(c) In this section "certified copy" means a copy matching the source authenticated by one of the following:

(1) the authority which issued the original document;
(2) an attorney
(3) a person employed by the business service provider to whom the original document was presented;
(4) an authority as stated in Article Six of the Convention Abolishing The Requirement Of Legalization For Foreign Public Documents (hereinafter: "the Convention to Abolish the Legalization Requirement");
(5) an Israeli diplomatic or consular representative abroad;

(d) Notwithstanding the provisions of subsection (a), a business service provider shall only carry out the process of verification of identification data and obtaining of documents for a repeated customer at the time of the initial contract with him.

Declaration of the Customer

4. (a) Before providing a business service for a customer, a business service provider shall require from the customer, a declaration in the format appearing in the Form contained in the First Schedule, that he is acting on behalf of himself; where the customer has declared that another beneficiary exists in respect of the business service - the declaration shall contain identification data listed in the Form contained in the First Schedule with regard to each of the beneficiaries, and in the case of a corporation – also of the holders of the controlling interest, all except in respect of one of the bodies detailed hereunder:

(1) a banking corporation;
(2) a member of a Stock Exchange
(3) a portfolio manager
(4) an insurer and an insurance agent
(5) a managing company as defined in the Control of Financial Services (Provident Funds) Law, 5765-2005, in respect of the Provident Funds under its management;
(6) a money service provider;
(7) the Postal Bank;
(8) an entity established by legislation;
(9) a public endowment entered in the Register of Public Endowments;
(10) a rabbinical public endowment in respect of which the Rabbinical Court has certified that it is a Rabbinical Religious Endowment intended for public purposes, unless the business service provider has received notice from the Rabbinical Court of cancellation of the certification;

(b) Notwithstanding the provisions of the closing passage of Section 4(a) - where the beneficiary is unknown- the customer shall make a declaration to that effect.

(c) A business service provider shall authenticate the identification data of the beneficiary as stated in subsection (a) by the use of reasonable means in order to obtain information relating to the matter, or data received from a reliable source which he considers to be satisfactory.

(d) Notwithstanding the provisions of subsection (a), a business service provider need not require a signed declaration from a repeated customer as stated in that subsection before providing a business service if the repeated customer has completed the customer due diligence procedure pursuant to Section 2 and the repeated customer had signed such a declaration on at least one previous occasion, and provided that such declaration is, prima facie, reasonable as stated in Section 2(b).

(a) Notwithstanding the provisions of Sections 2 to 4, if the customer is a public institution, the business service provider shall identify the representative of such public institution and authenticate his identification data as stated in Section 3(a)(1) or (2), as the case may be.

(b) The business service provider shall obtain from the representative of the public institution, a power of attorney to act on behalf of the public institution or a form of consent to obtain the business service for it on behalf of the public institution as stated in the Third Schedule and shall compare the identification data in the power of attorney or in the form of consent, with the identification document of the representative of the public institution.

(c) A copy of the power of attorney or of the form of consent, as the case may be, shall be retained by the business service provider.

(a) A business service provider shall identify the customer in person pursuant to an identification document as specified in Section 3, before providing the business service for him; for the purposes of this sub-section, “identification in person” - means identification by one of the following:

(1) The business service provider or one of his employees;
(2) An attorney licensed to practice law in Israel;
(3) An Israeli diplomatic or consular representative abroad;
(4) An authority as stated in Section 6 of the Convention for the
Abolition of the Authentication Requirement;
(5) Any other method of identification approved by the Supervisor.

(b) The person performing the identification shall certify performance of the identification as aforesaid, as detailed in Part 2 of the Form contained in the First Schedule.

Identification by video conference 7. (a) If a business service provider, before providing a business service, realized that there is no possibility to identify the customer in person according to section 6, after taking reasonable measures in order to ascertain the customer identity and updated his records accordingly, the business service provider shall identify the customer by such technological means of video conference that will enable a clear identification of the customer, and shall also obtain from him a copy of an identification document when performing the customer due diligence procedure as stated in Section 2(a), as detailed hereunder:

1) for an individual- a passport or identity card;
2) for a corporation - the certificate of incorporation.

Record Keeping 8. (a) A business service provider shall retain the identification documents, and the documents relating to the types of business service being provided to the customer as detailed in the First Schedule that are necessary for the purpose of authentication of the identification data appearing in the form, if any, for a period of at least 5 years after providing the business service; the retention of identification documents, excluding a declaration bearing an original signature, may be done by means of computerized scanning under the conditions specified in Regulation 3A of the Testimony (Photocopies) Regulations, 5730-1969; for such purpose, "identification documents" means any document which was submitted for the purposes of identification and authentication, including a declaration given under this Order and the key documents used by the business service provider in order to perform costumer due diligence procedure pursuant to Section 2.

(b) Notwithstanding the provisions of subsection (a) a business service provider shall retain the documents defined in subsection (a), for more than 5 years if asked to do so in writing by the Supervisor, in certain cases in which the business service provider's documents are required for the purposes of an investigation or in order to supervise implementation of the provisions of the Law, which applied during the said period, until completion of such investigation or supervision.

Chapter Three: Checking Identification Data Against the List

A business service provider shall check against the list as to whether the name or identity number of the customer, the beneficiary and controlling interest holder appears on it, before providing the business service, and shall also check against the updated list every 6 months, all the customers receiving a business service from him.

Chapter Four: Miscellaneous
<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
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<tbody>
<tr>
<td>10.</td>
<td>A business service provider shall, upon demand, submit to the Supervisor or to any employee authorized by him, documents, information and explanations concerning the performance of his obligations under this order;</td>
</tr>
<tr>
<td>11.</td>
<td>This Order shall come into force 9 months from the date of its publication (hereinafter - the commencement date).</td>
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| 12. | (a) This Order shall apply to a business service provided after the commencement date.  
(b) Notwithstanding the provisions of subsection (a), as regards to a customer in respect of whom the business service has continued after the commencement date - the business service provider shall identify the customer and shall, in respect of him, perform a customer due diligence procedure as provided in Section 2 (a), 1 year from the commencement date.  
(c) When the customer is a repeated customer, the business service provider shall identify the customer and shall, in respect of him, perform a customer due diligence procedure as provided in Section 2 (a), at the time of the initial contract with him following the commencement date. |
**First Schedule**  
(Sections 2(a) and (c), 3(a) (4) and (b), 4 (a), 6 (b) and 7 (c))

**Customer Recognition Form**

(To be completed by the customer, and if the customer is a corporation - by the authorized signatory, duly empowered attorney or holder of a letter of appointment to act on behalf of the corporation)

Part 1

**Record of Identification Particulars of an Individual**

| Name of the customer: |  
|-----------------------|---
| Identification/Passport No. and country of issue: |  
| Date of birth: |  
| Gender: |  
| Address: |  

**Record of identification particulars of the corporation**

| Name of the corporation: |  
|--------------------------|---
| Registration No. of the corporation: |  
| Date of incorporation: |  
| Address: |  
| Country of incorporation: |  
| Holder/s of controlling interest in the corporation*: |  
| Name | Identification No. |

*In respect of the holder of a controlling interest that is a corporation, details of the names of the holders of the controlling interest (who are individuals) in the holder of the controlling interest that is a corporation, must be completed.
*Customer Recognition - for the purpose of the performance of one of the actions set out below, by the business service provider:

Customer's business occupation: ________________________________________
His type of business: ________________________________________________

Purpose of performing the business service: ______________________________

The type of business service that it is proposed to perform for the customer by the business service provider:

☐ Purchase sale or perpetual leasing of real estate property
   Give a detailed description of the action: ______________________________
   Details of the transaction (including details of the property, the owner of the property, the occupant of the property and beneficiaries of the property, the parties to the transaction):
   __________________________________________________________________

☐ Purchase or sale of a business
   Give a detailed description of the activity: _____________________________
   Details of the transaction (including particulars of the business, the senior officeholders in the business, the parties to the transaction):
   __________________________________________________________________

☐ Management of the customer's assets including management of funds, securities and real estate property, as well as management of the customer's accounts in a banking corporation or with a member of the stock exchange, portfolio manager, insurance company and insurance agent, managing company of provident funds or the postal bank.
   Give a detailed description of the activity:
   __________________________________________________________________
   Details of the assets being managed (including the amount of moneys involved, their location, holders of additional rights in the assets, duly empowered attorney in relation to the managed assets, beneficiaries of the assets):
   __________________________________________________________________

☐ Receipt, holding or transfer of moneys for the purpose of establishment or management of a corporation.
   Give a detailed description of the activity: _____________________________
   Details concerning the moneys involved (including the financial scope thereof) and details about the corporation (its name, registration number, date of incorporation and country of incorporation, holders of controlling interest in the corporation*, purpose of the corporation's activity and anticipated extent of financial activity):
   __________________________________________________________________

☐ Establishment or management of a corporation, business or trust for another
   Give a detailed description of the activity: _____________________________
   (In respect of a corporation: Name of the corporation, its registration number, date of incorporation and country of incorporation, holders of controlling interest in the corporation*, purpose of the corporation's activity and anticipated extent of financial activity.
In respect of a business: Name of the business, its registration number (if existing),
senior office holders in the business, purpose of the business and anticipated extent of
financial activity.

In respect of a trust: Name of the trust, place of formation of the trust, purpose of the
trust, the type of trust, location of the trust's assets, anticipated extent of the trust's
financial activity, beneficiaries, creator of the trust, protector (person giving instructions)
and beneficiaries of the trust.

Is the business service being performed for another? Yes/No

If for another - please enter the following particulars:

For an individual:

Name ________________________ Identification or passport number ________________________
country of issue ________________________
Date of birth ______________ Address ________________________ and gender _________

For a corporation:

Name of the corporation ________________________ Registration Number of the
corporation ________________________
The date of incorporation and country of incorporation ________________________.
holders of the controlling interest in the corporation* ________________________.
signatories in respect of the corporation's activity ________________________.

If the identity of the beneficiary is unknown:

I declare that the identity of the beneficiary is unknown on this date, and I undertake to
furnish full particulars of the beneficiary as stated above immediately upon them
becoming known.

Signature: ________________________

Clarification in relation to a foreign public official

1. What is your connection to Israel? ________________________

2. Are you a foreign resident?
   [ ] Yes
   [ ] No

   If the answer is yes, do you hold a senior public position in a foreign country as detailed
   below (including such a position even if it is described differently) (kindly indicate which
   of the following applies):

   [ ] I am not the holder of a senior position in a foreign country
   [ ] Head of state
   [ ] President of a State
   [ ] Mayor
   [ ] Judge
   [ ] Member of Parliament
   [ ] Member of Government
   [ ] Senior Military Officer
[ ] Senior Police Officer
[ ] Other senior public position __________________________ (please specify)

3. Do you have a family member (spouse, sibling, parent, grandparent, child or stepchild, or spouse of any of the above) who holds a senior public position in a foreign country?
   [ ] Yes
   [ ] No

   If the answer is yes, please state the position according to the list contained above in section 2: ________________________________

4. Are you acting on behalf of a corporation?
   [ ] Yes
   [ ] No

   If the answer is yes, does one of the holders of the controlling interest in the corporation hold a senior public position in a foreign country (including a position as stated even if described differently)?
   [ ] Yes
   [ ] No

   If the answer is yes, please state the position according to the list contained above in section 2: ________________________________

5. Are you a business associate of a foreign resident?
   [ ] Yes
   [ ] No

   If the answer is yes, does the business associate hold a senior public position in a foreign country (including a position as stated even if described differently):
   [ ] Yes
   [ ] No

   If the answer is yes please state the position according to the list set out above in section 2: ________________________________

**Politically Exposed Person**

[English Text in the original]

**Declaration of the Customer who is completing the form**

I hereby declare that the foregoing particulars have been recorded by me and that they are true and accurate to the best of my knowledge. If any change should occur in these details, I undertake to inform you about it as soon as possible. If it should become evident that the aforementioned information is false or could be misleading, I am aware that I am likely to be held responsible for this.

I agree to and am aware that a copy of this form will be retained by the attorney/accountant for the period prescribed in Section 8 of the Order.

Date: ___________________________  Signature of the Customer: ___________________________
Part 2:

Certification of Identification

Face to Face Identification (Section 6):

I certify that on the _________ day of ________ the customer/the above named ____________
ID No. ________ who identified himself by means of an Identity Card/Passport a copy of
which is attached, attended before me and signed this form in my presence.

Name of identifying party _______________________ identification no. ____________
signature ______________________

Non face-to-face identification (section 7)

I certify that on the ________ day of _______ I identified the customer who is the signatory
of this form by the name of __________________ identification no. __________________ who
identified himself by means of ______________________ and a copy of which is attached.

Name of the identifying party _______________________ identification no. ____________
signature ______________________

Certification of the Business Service Provider as to
Scrutiny of the Customer Recognition Data
(To be completed by the business service provider)

I certify that on the _____ day of _____ I studied the particulars given pursuant to the form
in the First Schedule, and acted in accordance with what is stated in Section 2(c) of the Order.

Name __________________ Identification no. ______________ Signature ____________
Second Schedule
(Section 2(d) and the Fifth Schedule)

List of Countries and Territories

1. A country or territory in respect of which the head of the competent authority shall determine from the list of countries or territories published by the FATF Organization that there are reservations concerning their compliance with the recommendations of the organization on the subject of the prohibition of money laundering and the financing of terrorism. Such a determination shall be published on the internet website of such competent authority.

2. The following countries or territories: Iran, Algeria, Afghanistan, the Palestinian Authority, Libya, the United Arab Emirates, Malaysia, Morocco, Sudan, Somalia, Pakistan, Tunisia, Lebanon, Egypt, Syria, Saudi Arabia, the Kingdom of Jordan, Iraq, Gaza Strip, Yemen.

Third Schedule
(Sections 2(d) and 5(b))

Consent to Act on Behalf of a Public Institution

1. Consent of representative to act on behalf of public institution

I ________________ [the public institution] empower ________________ [name] and identification no. ________________ date of birth ________________, gender ________, address ________________ to request the business service indicated below on my behalf:

□ Purchase, sale or perpetual lease of real estate property the details of which are: ____________________________

□ Management of the customer's assets including management of funds, securities and real estate property, and also management of customer accounts in a financial institution the details of which are: ____________________________

□ Formation or management of a corporation, business or trust for another, the details of which are: ____________________________

2. Certification of the public institution's legal advisor

I certify that ____________________ [name] the holder of identification card no. ________________ is a representative of ________________ [the public institution] and is duly authorized to request the business service for it.

Signature: __________________
Name and Rubber Stamp Seal: __________________
Date: __________________
Fourth Schedule
(Section 2(c))

Types of Customers who may be considered as High Risk Customers

The circumstances enumerated hereunder can be perceived to be circumstances that are an indication of a high risk of money laundering or terrorist financing, taking into account information or an explanation that could reduce the risk:

(1) A customer who is a foreign politically exposed person.

(2) A customer from a country or territory listed in the Second Schedule to the Order or where in so far as the business service provider is aware, the customer is performing business transactions with countries or territories listed in the said Second Schedule.

(3) The customer performs transactions in large amounts of cash, without any apparent explanation or logical business reason.

(4) A customer in respect of whom the business service provider is apprehensive that he is connected with criminal elements or terrorist activists, without the need to question the customer or to clarify facts with him.

(5) A customer requesting a business service without any apparent reason or logical business explanation.

(6) A customer that the business service provider believes to be in a high risk, inter alia in light of his sphere of business or in light of other data relating to the matter that is within his knowledge.

(7) A customer who is requesting to perform a business service with funds that arouse the business service provider concern of their source.

(8) A customer who is refusing to provide the requisite data for compliance with the Order.

Fifth Schedule
(Section 2(e))

Procedure for Recognition of the Customer as a Means of Preventing Money Laundering and Financing of Terrorism

1. General
Recognition of the customer and comprehension of the actions being carried out by the business service provider for his customer, are likely to reduce the risk of the business service provider becoming a means of the commission of money laundering and financing of terrorism offences.

It is accordingly of the utmost importance that there should be a prescribed procedure and ways of dealing with this that will assist a business service provider in comprehension of the identity of the customer, of the source or destination of the moneys when providing a business service for the customer, and avoidance of the risk of him becoming a means of laundering money or financing terrorism.

2. Definitions
(a) All the terms used in this procedure shall be interpreted in accordance with their meanings in the Prohibition of Money Laundering (Business Service Provider's Obligations Regarding Identification, Keeping of Records for the Prevention of Money Laundering and the Financing of Terrorism) Order, 5775-2014
(hereinafter - The Order), as the case may be, save where expressly stated otherwise.

(b) Nothing in this procedure shall derogate from the obligations of a business service provider under the Order and under the provisions of any Law.

(c) A business service provider may, but without being obligated to do so, stipulate other procedures instead of this procedure for the purposes of implementation of the requirements under the Order.

3. **Prohibition of money laundering and financing of terrorism**

(a) A business service provider shall monitor publications that the Supervisor has issued with regard to perceived threats of money laundering and financing of terrorism deriving, *inter alia*, from new technologies, in particular those that enable a business service to be provided other than face-to-face, and also as regards risks stemming from countries that are a money laundering and terrorism risk, and also pertaining to the ways of evaluating the risk of money laundering and financing of terrorism and the manner of evaluation of such risk, and all in so far as this pertains to identification and recognition of the customer, and he shall act accordingly.

(b) A business service provider shall instruct his employees with regard to the way of fulfilling the obligations under this Order, and in particular as regards the customer recognition procedure pursuant to the form contained in the First Schedule, determination of the risk of money laundering and financing of terrorism and including the circumstances detailed in the Fourth Schedule, publications on the Supervisor's internet website, and checks against the list.

4. **"Get to Know the Customer"**

(a) A business service provider shall perform the customer recognition procedure as detailed in the First Schedule to the Order.

(b) A business service provider shall only perform the customer recognition procedure in respect of a repeat customer upon entering into the initial contract with him.

(c) A business service provider shall examine the risk pursuant to what is stated in Section 2(c), and shall update, in the form contained in the First Schedule, the date of carrying out the said examination, and he may stipulate further circumstances in addition to those enumerated in the Fourth Schedule, as being circumstances that point, *prima facie* to a high risk.

(d) Authentication of the identification particulars of the beneficiary as provided in Section 4(c) of the Order, shall be effective with the use of data received from a reliable source, including an identification certificate or a copy thereof, other identification documents or copies of documents of the beneficiary that a reliable source has issued (such as a passport, a driving license, employment card etc.).
(c) All the main records which a business service provider has used in performing
the customer recognition procedure shall be retained for the period prescribed in
Section 8 of the Order, in an efficient manner so as to facilitate identification of
and availability of the information.

Zippy Livni
The Minister of Justice

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