Unofficial Translation

Prohibition on Money Laundering (Modes and Times for Transmitting Reports to the Data Base by Banking Corporations and the Entities Specified in the Third Schedule to the Law) Regulations, 5762-2002

1. By virtue of the power vested in me under sections 7 (e) and 32 (a) of the Prohibition on Money Laundering Law, 5760-2000\(^1\) (hereinafter “the Law”), after consultation with the Minister for Internal Security and the Governor of the Bank of Israel in respect of a banking corporation, and with the Ministers charged with any of the entities specified in the Third Schedule in respect of such entities, and with the approval of the Knesset Constitution, Law and Justice Committee, I hereby enact the following regulations:

Definitions

1. In these Regulations –

   “a person responsible” - within the meaning of section 8 of the Law, or any person appointed by him for that purpose, and notice of whose appointment was given to the head of the competent authority;

   “reporting entity” – a banking corporation and any of the entities specified in the third schedule to the Law;

   “report” - a report to the competent authority under section 7 (a) and (b) of the Law;

   “supplementary report” – a report within the meaning of section 31 (c) of the Law;

   “the competent authority” – the Authority for Prohibition on Money Laundering, established under section 29 (a) of the Law;

   “data base” - a data base established under section 28 of the Law;

   “Supervisor” - as defined in section 12 of the Law, with the exception of an entity as defined in paragraph (3) of the definition;

   “printed document” – a document printed on paper;

   “ordinary act” - each one of the acts or cases which the reporting entities are obliged to report, in accordance with the Orders issued under section 7 of the Law (hereinafter – reporting orders), but excluding an exceptional act;

   “exceptional act” – as defined in the reporting orders with respect to each reporting entity;

   “Head of the Authority” – head of the competent authority.

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1. *Sefer Ha-Chukkim* 5760, p. 293
2. *Sefer Ha-Chukkim* 5755, p. 366
Modes of Reporting

2. The reporting entity shall make its report to the competent authority in one of the modes specified below or a combination of all or some of such modes, in accordance with instructions given by the Head of the Authority to the reporting entity:

   (1) by computer communication;
   (2) on an optical substrate (optical disk - CD-ROM) or a magnetic substrate (film or disk);
   (3) by a printed document.

Structure of Reporting

3. (a) The Head of the Authority shall give the reporting authority instructions as to the methods, structure of files, technologies and data categories by which the reporting shall be carried out, as specified below:

   (1) Reporting of a ordinary act shall be composed on a regular data file in a predetermined format, which shall include one of the following:

      (a) “ASCII” standard (American Standard Code for Information Interchange);
      (b) A file created with data transmission technology and records between different applications (XML – Extensible Markup Language);

   (2) Reports on exceptional acts shall be drawn up separately, in the HTML format (Hyper Text Markup Language), determined in advance, or - with the written approval of the Head of the Authority given in advance – in a different format. The report shall documented as required; it shall include the reasons for the report, including a description of the act being reported, its circumstances, and all of the circumstances connected to the reasons necessitating the report, to the extent that they are known by the reporting entity;

   (3) A supplementary report shall be transmitted should the Head of the Authority require the same from the person responsible;

   (4) The report shall be made in accordance with any requirement made by the Head of the Authority as stated.

   (b) A report made under sub-regulation (a) shall be signed by the person responsible; where it was transmitted as a computer file, the report shall bear the special code for identification of the reporting body, the same having been supplied in advance by the Head of the Authority.
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Times for Reporting

4. (a) The Head of the Authority shall prescribe the times for reporting according to the following criteria:

(1) (a) a report of regular acts shall be transmitted to the competent authority with respect to the period specified by the Head of the Authority (hereinafter - the reporting period) which, for a banking corporation shall not be less than one working day for banking corporations and one month for the other entities specified in the third schedule;

(b) the report shall include acts that were recorded in the computerized base of the reporting entity or in any other manner, during the reporting period;

(c) regarding banking corporations – the report shall be transmitted to the competent authority no later than two working days after the termination of the reporting period; regarding other entities specified in the Third Schedule, the report shall be transmitted to the competent authority on the 17th of the month following the reporting period, or on the working day thereafter or on any other day determined by the Head of the Authority for each category of reporting entities;

(2) a report of an exceptional act shall be transmitted to the competent authority as soon as possible under the circumstances, after execution of the act or the recording thereof, as the case may be;

(3) A supplementary report shall be transmitted to the competent authority as soon as possible in the circumstances after the date upon which the person responsible received the requirement therefor from the Authority.

(b) In this regulation “a working day” – for a banking corporation means – a day for banking transactions within the meaning of section 1 of the Banking (Service to Client) (Time for Debiting and Crediting Checks) Provisions, 5752-1992

Place of Submitting Report

5. (a) The reporting entity shall submit its report at the address of the competent authority; with respect to these regulations, “address” shall include the address for computer communication of the Authority or another electronic address as provided by the Head of the Authority.

(b) The competent authority shall, if so requested by the reporting entity, acknowledge receipt of any report transmitted other than by computer communications, that was delivered at its address.
Modes of Reporting, Structure, and Time thereof and Instructions of the Head of the Authority

6. (a) The Head of the Authority, after consultation with the Supervisor, may give instructions pertaining to modes of reporting, structure, times and place of submission, whether to each reporting entity separately or to categories of reporting entities.

(b) The Head of the Authority shall publish in Reshumot, in respect of each category of reporting entity, all of the following particulars:

   (1) modes of reporting, as specified in regulation 2;
   (2) structure of report, as specified in regulation 3;
   (3) times of reporting, as specified in regulation 4;
   (4) address for transmission of report, as specified in regulation 5;

(c) The Head of the Authority may, for special reasons that shall be recorded, give written notice to a particular reporting entity of an instruction pertaining to the subjects specified in sub-regulation (b); in exercising such power, the Head of the Authority shall give identical instructions to identical entities; instruction made under this sub-regulation shall be open for public inspection.

(d) Notice of alteration in the instructions for one or more of the topics specified in sub-regulations (b) and (c), shall be published in Reshumot or be sent to the reporting entity, as the case may be, taking into consideration the type of alteration, in reasonable time prior to the alteration and no less than 60 days before the effective date of the alteration.

Criteria for Determining Modes and Times of Reporting

7. In determining the modes and times of reporting for the reporting entity, as well as the structure and place of submission thereof, or an alteration in any one of the above, the Head of the Competent Authority shall take into consideration the following factors:

   (1) nature of commercial activity of the reporting entity and its ability to comply with the requirements of the Head of the Authority;
   (2) basic technical features of the computerization and communication systems of the data base;
   (3) basic technical features of the computerization and communications systems of the reporting entity.

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