

Finance Regulation

The various regulatory restrictions that apply to financial institutions in Israel determine the boundaries in which such institutions establish and conduct their business activities. In recent years, countries around the world, including the Israeli legislature, have been working tirelessly to establish comprehensive provisions based on the recommendations of different international organizations, including the Financial Action Task Force on Money Laundering (FATF) in the fields of the prohibition of money laundering, terror financing and the proliferation of weapons of mass destruction, and the OECD. In addition, in light of the provisions of FATCA and CRS, various financial institutions in Israel are subject to taxation regulations requiring them to obtain information sheets from their clients and to file regular and special reports to the tax authorities. Failure to comply with various regulatory requirements may lead to the imposition of economic and even criminal sanctions on the financial institutions.

Currently, Israeli law in the area of financial regulation coincides with the global standard and imposes on the financial institutions' extensive obligations that vary according to the nature of the financial service provided. The team of our Firm's Financial Regulation Department provides ongoing legal advice and guidance to various financial institutions, such as banks, insurance companies, and companies providing financial services such as currency exchange, money transfer, payment card issuance, storage of financial assets in vaults, transport of financial assets, etc. Likewise, the attorneys in the Department provide legal services to private clients and entrepreneurs in the Fintech sector seeking to obtain an appropriate license enabling them to provide various financial services in Israel. The Department provides legal opinions and representation vis-à-vis the various financial regulators, including the Israel Money Laundering and Terror Financing Prohibition Authority,

the Israel Tax Authority, the Supervisor of Financial Services at the Capital Markets Division of the Ministry of Finance, the Commissioner of Insurance, the Israel Securities Authority, and the Bank of Israel.

In order to provide our clients with an efficient package and to offer them responsive and complete solutions in Israel and abroad, and in view of the international nature of financial regulation, the Department also provides comprehensive legal advice and counsel to financial institutions that are subject to financial regulation in foreign countries, in full cooperation with the other departments of the Firm, including our offices in the U.S., China, and Europe.

For further information about our Finance Regulation practice, please visit our website at www.zag-sw.com or contact: