



BANK OF ISRAEL

Office of the Spokesperson and Economic Information

Press Release

August 30, 2011

Statement of Cooperation between the Banking Supervision in the Bank of Israel and the Supervisory Authorities in the US

On August 28, 2011, the Supervisor of Banks at the Bank of Israel and the supervisory authorities in the US—the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation—signed a Statement of Cooperation. The Governor of the Bank of Israel, Prof. Stanley Fischer, confirmed the signing of the document.

The signing of the Statement of Cooperation is intended to formalize and strengthen the cooperation between the Banking Supervision in Israel and the supervisory authorities in the US, in order to facilitate the process of supervising banks incorporated in both countries for purposes of cross-border activity, and to promote the safe and sound functioning of those banks. The Statement of Cooperation also reflects the commitment of the above mentioned authorities to the principles of consolidated supervision and cooperation among banking regulators.

The Statement of Cooperation establishes a mechanism for the **transfer of information** between the authorities in the context of the authorization process of establishing cross-border banking activity in the US or Israel, and in the context of their ongoing function as regulators of banking activity.

The Statement of Cooperation also regularizes the **cooperation in supervisory processes** carried out by each of the authorities, including those related to planned inspections of cross-border establishments, the identification of suspected money-laundering activity or the financing of terrorism, and banking activity without a permit. The Statement of Cooperation also deals with the sharing of information about banks in Israel and the US under common ownership or control.

The Supervisor of Banks, David Zaken: "The arrangements set out in the Statement of Cooperation are expected to boost cooperation with the US authorities with regard to the supervision of Israeli overseas banking offices operating in the US and the overseas offices of US banks operating in Israel."

POB 780, 91007 Jerusalem Tel: 972-2-6552713

www.boi.org.il