



Payment Services Law 5779-2019

General

The Payment Services Law is an Israeli parliament legislation designed to harmonise the laws relating to payment services across the local market.

This legislation is intended, among other things, to respond to developments in international regulation, and, in particular, European regulation, PSD (Payment Services Directive), that applies across the European Economic Area (the EEA)

You will be able to expect a consistent approach to payment services provided by payment service providers when you make a payment. The main aims of the Payment Services Law are to guarantee transparency of conditions, certainty of execution time & similar protection for payment services users throughout the Israeli Market.

HSBC Bank plc, Israel Branch offers payment services through our payment platform – HSBCnet. The necessary component to enable the use of the platform is a Token provided by the Bank. It may also be possible to provide payment instructions through Fax/ Telephone subject to specific approval by the Bank and instruction authentication with accordance to the Bank procedures.

The payment terms and conditions are included in our Master Service Agreement which is a standard agreement used across the HSBC Group for corporate clients. The Master Service Agreement with the Israel Country Conditions, all as amended from time to time, can be found at [HSBC.co.il](https://www.hsbc.co.il)

When will the Payment Services Law take effect?

9 January 2020.

What accounts does the Payment Services Law apply to?

The Payment Services Law applies to payment accounts. These are accounts into which, & from which, customers can make regular payments (such as current accounts).

To which clients would the Payment Services Law Apply?

The Payment Services Law is mainly aiming to protect the rights of retail clients and therefore allow the Bank and non-retail clients not to apply some of the instructions of the Payment Services Law. According to the Bank's policy non- retail clients are clients that their business' turnover is over ILS 30m' or affiliates of a group of companies that their business is above the said threshold.



How to close a Payment Services Account/ Service?

You may request to terminate a specific payment service by a written request and in such a case your request will take effect at the end of the business day after your request was received at the Bank.

You may request to terminate your payment services account by a written request and in such case we will notify you what are the necessary steps that you need to complete in order to close your account. The account will be closed within five business days from the date that you complete these necessary steps.

Information on Fund Transfer Dates

Payment cut-off time

Our payment cut-off times are as follows (Israel Standard Time): Currency	³ Overseas Payments	³ Local Payments
ILS	² 16:00 (D+1)	16:00
USD	16:00	¹ 16:00
EUR	14:30	¹ 14:00
GBP	13:00	¹ 12:00
CAD	16:00	¹ 12:00
HSBCnet payments (all currencies)	16:00	16:00

1 Subject to the local Israeli banks acceptance of the payments

2. On Fridays / holiday eves instructions should be received until 12:00

3. Payments in local currency can be processed between Sunday-Friday; Payments in foreign currencies can be processed between Monday-Friday

Payment instructions received after the cut-off time listed above will be processed on the next working day.

Please note that processing of your transfer instructions may be delayed or withheld, including as a result of the Bank's regulatory and/or compliance obligations.

Cancellation of payment instruction

You may cancel Payment Instructions until the time that the Bank has executed the Payment Instruction and not later than the end of the Business Day on which the Payment Instruction was received by the Bank.

Fees

You will be charged with Bank fees, costs, charges, interest and expenses in connection with the Services ("Fees"). These Fees will be the fees agreed separately with the Bank and in the absence of such agreement in accordance with the Bank's standard tariff as amended from time to time and available at: [Tariffs and Account Master Service Agreement - HSBC Business Banking](#)



Freeze of means of payments

Please note that the Bank may, in the circumstances described below, freeze the use of means of payment:

- It is required by any applicable law;
- There is a concern that the security of the Means of Payment was compromised;
- There is a concern of misuse of the Means of Payment or fraud;
- There is a concern that the Customer will not fulfil its obligations towards the Bank to repay the credit if the payment originates from credit provided by the Bank;

Given that one of the above circumstances has happened, we will make the best efforts to notify you before the actual freeze.

Liability for misuse of means of payment

You are required to provide a notice to the Bank on theft or loss of a material component in the Means of Payment or misuse of Means of Payment, immediately upon becoming aware of such an event. Under the Payment Services Law, the liability of retail clients to damages resulting from misuse of means of payments is limited as detailed in the law. The liability of the Bank in case that you are a non- retail client will be as agreed in the Master Service Agreement and the Israel Country Conditions.