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ISA enables Swiss-licensed brokerage entities to operate in Israel.

The Chairman of the Israel Securities Authority has decided to expand the general permit conditions under Section 49A of the Securities Laws, to enable Swiss-licensed banks licensed as securities dealers to offer trading services under the terms of the general permit, similar to regulated entities in the US and the EU.

On December 30, 2018, the Israel Securities Authority (the “ISA”) published the terms and conditions of the permit for the offering of securities trading services through a system that does not operate under a stock exchange license under the Securities Law 5768-1968¹. Referring to entities which offer these services to the general public (as opposed to addressing qualified investors), the ISA has focused the grant of general permit to entities that the ISA had recognized their reliability and skill, such as licensed banking corporations and TASE members, or regulated entities in the United States or the European Union. Specifically, the ISA also recognized the eligibility of entities that are regulated as broker-dealer in the United States or as an investment firm or credit institution authorized to provide investment services under the MiFID Directive in the EU.

Recently, after examining the matter by the ISA staff, the Chairman of the ISA has now decided to also allow Swiss-licensed banks as securities dealers to apply for a general permit for the offering of trading services, similar to the regulated entities in the US and the EU.

Such entities, which do not operate under the MiFID Directive, and which up to the date of this decision were required to submit a reasoned application to the ISA for a specific permit to be individually examined by the ISA staff, may now apply for a general permit, under which they declare that the conditions relevant for them listed in the general permit are fulfilled, and as a general rule, the ISA's examination in this context will be limited to the compliance of these entities with the conditions of the general permit.

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¹ See also our client's publication dated [January 03, 2019](#).