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Date: March 24, 2015
In your response please
note: 80521

To
Mr. Abed al-Karim Massalha
Manager of Bank Hapoalim
Branch 696, East Jerusalem
10 al-Zahara Street
Jerusalem 97200

By Registered Mail

4 Abu Obeidah St.
Jerusalem 97200
Tel. +972.2.6283555
Fax. +972.2.6276317

Dear Sir,

Re: **Refusal to open a bank account for a Palestinian contrary to the Prohibition on Money Laundering Order (Obligations of Identification, Reporting and Record-Keeping of Banking Institutions for the Prevention of Money Laundering and Terror Financing)(Amendment), 5774-2014**
My Client, Mr. _____ Abu Ghad Allah, ID No. _____

شارع أبو عبيده ٤
القدس ٩٧٢٠٠
هاتف. ٦٢٨٣٥٥٥. ٠٢.
فاكس. ٦٢٧٦٣١٧. ٠٢.

mail@hamoked.org.il
www.hamoked.org.il

1. I hereby write to you to complain of the refusal to open a bank account for Mr. Fathah Abu Ghad Allah, whose details are specified above, with Bank Hapoalim, East Jerusalem, al-Zahara Street, managed by you, for the sole reason of being a Palestinian. Said refusal runs contrary to the new amendment to the Prohibition on Money Laundering Order (Obligations of Identification, Reporting and Record-Keeping of Banking Institutions for the Prevention of Money Laundering and Terror Financing)(Amendment), 5774-2014 (hereinafter: the **New Amendment to the Prohibition on Money Laundering Order** or the **amendment to the order** or the **new amendment**).

A copy of a power of attorney is attached and marked **A**;
A copy of the Palestinian Identification card is attached and marked **B**.

2. HaMoked: Center for the Defence of the Individual (HaMoked) is a human rights association engaged for over twenty years in the protection and promotion of the rights of Palestinians from the Occupied Palestinian Territories (OPT), including East Jerusalem.
3. Mr. Abu Ghad Allah is a Palestinian holding a stay permit in Israel in the framework of a family unification procedure with his wife, a resident of Jerusalem (hereinafter: the **family unification procedure**). He maintains his center of life in Israel, lives with his family in Jerusalem and works in Israel. Regrettably, the status of Mr. Abu Ghad Allah, like hundreds of

others, will not be upgraded for as long as the Citizenship and Entry into Israel Law (Temporary Order), 5763-2003, remains in force.

A copy of the stay permit in the framework of the family unification procedure is attached and marked **C**.

4. On August 2, 2014, the new amendment to the Prohibition on Money Laundering Order entered into effect, which explicitly stipulates that a bank account may be opened in an Israeli bank for Palestinians from the West Bank and the Gaza Strip having nexus to Israel (such Palestinians undergoing family unification procedure). The amendment to the order was published in the official gazette on February 2, 2014. The consolidated of the order is published in the Supervisor of Banks' website.

It should be noted that the amendment to the order was made following the application of HaMoked to the Supervisor of Banks, which demanded to revoke the prohibition imposed on the opening of a bank account to Palestinian living in Israel under renewable stay permits in the framework of a family unification procedure. HaMoked emphasized in its request that the opening of a bank account would solve the hardship suffered by thousands of Palestinians and would enable them to enjoy economic independence in Israel.

A copy of the Money Laundering Order (Obligations of Identification, Reporting and Record-Keeping of Banking Institutions for the Prevention of Money Laundering and Terror Financing)(Amendment), 5774-2014, is attached and marked **D**.

A copy of the response letter of Mr. Ido Yad Shalom, director of the Regulatory Unit, Banking Supervision, dated April 27, 2014, to HaMoked's letter concerning the opening of bank accounts to Palesinians in Israeli banks (**with emphasis on section 3 of the letter**) is attached and marked **E**.

A copy of the letter of Mr. Ido Yad Shalom, director of the Regulatory Unit, dated December 8, 2014, is attached and marked **F**.

5. Following the amendment of the order and its entry into effect, Mr. Abu Ghad Allah turned on March 8, 2015, to Ban Hapoalim branch in al-Zahara Street in East Jerusalem, and requested the clerk to open a bank account. The clerk refused to open a bank account for him solely for being a Palestinian. Mr. Abu Ghad Allah explained that a new law entered into effect which enabled him to open a bank account, and presented his stay permit, and the document certifying his family unification application in Israel on behalf of the Ministry of Interior. In addition, Mr. Ghad Allah explained that he was living and working in Israel. Unfortunately, his explanations fell on deaf ears!
6. The refusal to open a bank account for Mr. Abu Ghad Allah is unlawful and in contrary with the new amendment to the order, which explicitly

stipulates that bank accounts may be opened for Palestinians in Israeli bank.

7. The refusal to open a bank account for Mr. Abu Ghad Allah is also contrary to section 2(a)(2) of the Banking (Service to the Client) Law, 5741-1981, according to which banking institutions may not "unreasonably refuse" to give banking services, including the opening of a current account without a specific examination. According to the law, refusal to open a bank account cannot be made solely due to national affiliation.
8. The refusal to open a bank account for Mr. Abu Ghad Allah is also contrary to the Prohibition of Discrimination in Products, Services and in Entry into Places of Entertainment and Public Places Law, 5761-2000. The purpose of the law is, inter alia, to prevent discrimination in products and services, including banking services, on the grounds of race, religion, national affiliation, country of origin or political views.
9. We hope that the refusal to open a bank account for Mr. Abu Ghad Allah with Bank Hapoalim in al-Zahara Street, Jerusalem, stems from a mistake and lack of information concerning the new amendment to the order, which was described above, by the clerks of the new accounts department of your bank.
10. In view of the above you are hereby requested to:
 - a. Invite Mr. Abu Ghad Allah forthwith to open a bank account in your branch.
 - b. Enable any Palestinian having nexus to Israel, including a Palestinian with a stay permit by virtue of a family unification procedure in Israel, to open a bank account in the branch.
 - c. Update the clerks of the new amendment to the order and its implications.
11. Your prompt handling and response is highly appreciated!

Sincerely,

Abir Jubran-Dakawar,
Advocate

Enclosures: A-F

Cc:

Mr. David Zaken, Supervisors of Banks

Mr. Ido Yad Shalom, director of Regulatory Unit, Banking Supervision