



MK. Eli Cohen, Chairman
Adv. Eti Bendler, Legal Counsel
The Special Committee to Discuss the Bill for Increasing
Competition and Reducing Concentration in Israel's Banking
Market
Knesset of Israel
Jerusalem
via Email: v_hithadshut@knesset.gov.il

**Re: Bill proposal for Increasing Competition and Reducing Concentration in Israel's
Banking Market, 5776-2016 - Diners Club International**

Diners Club International Ltd. ("**Diners Club**") is hereby honored to approach the Special Committee to Discuss the Bill for Increasing Competition and Reducing Concentration in Israel's Banking Market, 5776-2016 (respectively the "**Bill**" or "**Committee**"), as follows:

1. As an international payment services organization that operates in over 185 countries around the world, Diners Club is proud of its participation in the Israeli Credit Card market, a market that has evolved significantly over the last few years.
2. We believe that during the recent discussions in the Committee, a proposal was submitted that would mandate Diners Club to change its business model and its issuing and acquiring operations scheme, according to which it operated in Israel for many years.
3. This proposal would pose a genuine risk that the Bill, which has at its genesis the promotion of competition for consumer benefit, will backfire, and the on-going viability of Diners Club business in Israel will be called into question reducing consumer choice in the Israeli Credit Card market.
4. This proposal, which was not part of the original proposed Bill that was submitted to the Committee, would have an enormous impact on our long standing business in Israel and yet we note that we have not had the opportunity to explain this impact to the Committee and to explain how our business model differs from other payment schemes operating in



Israel and around the world. Furthermore, not one of the relevant regulatory entities or government officials had brought this issue for discussion with us nor requested our standpoint concerning the matter, prior to the discussions in the Committee.

5. Therefore, the duty of the Committee is to allow Diners Club to bring its arguments before the relevant government bodies and the members of the Committee, prior to a decision on any changes to the current applicable law and regulations.

I look forward to hearing from you and would welcome the opportunity to meet with the committee and any governmental official regarding the matter at hand. .

Yours sincerely,

Matt Sloan
Managing Director, Diners Club International
Europe, Middle East and Africa