



## **I. INTRODUCTION**

Development Corporation for Israel (“DCI”) is registered with the Securities and Exchange Commission (SEC) as a broker-dealer and is a member of the Financial Industry Regulatory Authority (FINRA). Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [investor.gov/CRS](http://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

## **II. RELATIONSHIP AND SERVICES**

### **What investment services and advice can you provide me?**

We offer a limited brokerage service to retail investors – the sale of bonds issued by the State of Israel purchased in the United States. DCI may offer recommendations to you as they relate to which type or term of Israel bond to purchase based on your profile and financial objectives. As a broker dealer, DCI and our representatives do not have a fiduciary duty to you. Instead, we must act in your best interest only *at the time* we make a recommendation to you. There are other material limitations in the services we offer that you should be aware of:

- **Monitoring:** DCI does not monitor your accounts or investments. DCI sends letters to you in advance of a bond’s maturity alerting you of the maturity. For larger maturing bonds, we endeavor to also notify you by telephone prior to the maturity; however, we are under no obligation to do so.
- **Discretionary Authority:** DCI offers non-discretionary services only and does not make purchases on your behalf. You make the decision regarding the purchase of an Israel bond.
- **Limited Investment Offerings:** Our services are *very limited* in that we only offer one line of securities product – Israel bonds – which must be held until maturity. There is no secondary market for Israel bonds, which means you cannot sell the bonds before maturity. Israel bonds do not earn interest after maturity. You should be aware that when making a recommendation to you, we will only consider bonds issued by the State of Israel. Customers seeking a broader array of brokerage services or the purchase of other types of securities should consider other broker-dealers.
- **Account Minimums and Other Requirements:** We do not require minimum account sizes or investment amounts to provide you with services. However, each type of Israel bond has a purchase minimum. Before investing, you must meet certain requirements relating to the verification of your identity and anti-money laundering checks.

**Additional Information.** For additional information about risks related to Israel bonds, please see the section titled “Risk Factors” in the applicable prospectus, which can be found in the Prospectus section of our website at [www.israelbonds.com](http://www.israelbonds.com) or can be requested from us. For additional information about purchase minimums, please see the applicable prospectus or the Rates section of [www.israelbonds.com](http://www.israelbonds.com). The direct link to the prospectuses is: [www.israelbonds.com/Offerings-Rates/Prospectuses.aspx](http://www.israelbonds.com/Offerings-Rates/Prospectuses.aspx).

### **Conversation Starters. Ask your financial professional:**

- **Given my financial situation, should I choose a brokerage service? Why or why not?**
- **How will you choose investments to recommend to me?**
- **What is your relevant experience, including your licenses, education and other qualifications?  
What do these qualifications mean?**

## **III. FEES, COSTS, CONFLICTS, AND STANDARD OF CONDUCT**

### **What fees will I pay?**

- DCI does not charge you fees or commissions relating to the purchase of Israel bonds or charge you fees to provide services to you. Bond holdings are recorded in book-entry form directly with the State of Israel through its fiscal agent.
- DCI receives a selling commission from the State of Israel relating to the sale of Israel bonds. The commission does not vary by bond type.
- The State of Israel may charge you fees and costs under certain circumstances, for example, if you seek to replace a bond that is lost, stolen or mutilated, or transfer a bond.

**Additional Information.** You will pay any fees and costs whether you make or lose money on your investments. Any fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.



### **III. FEES, COSTS, CONFLICTS, AND STANDARD OF CONDUCT (CONTINUED)**

**Conversation Starter. Ask your financial professional:**

- **Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?**

**What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interests do you have?**

*When we provide you with a recommendation, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations we provide you. Here are some examples to help you understand what this means:*

- **Third-party payments:** DCI receives a selling commission from the State of Israel for the sale of Israel bonds. DCI is the sole and exclusive underwriter of Israel bonds in the United States to the public and has an agreement with the State of Israel to use its best efforts to sell the bonds.
- DCI and the State of Israel determine the rate of commission from time to time. The State of Israel is DCI's primary source of revenue.

**Conversation Starter. Ask your financial professional:**

- **How might your conflicts of interest affect me, and how will you address them?**

**Additional Information.** For additional information about our distribution of Israel bonds, please see the section titled "Plan of Distribution" in the applicable prospectus, which can be found in the Prospectus section of our website at [www.israelbonds.com](http://www.israelbonds.com) or can be requested from us. The direct link to the prospectuses is: [www.israelbonds.com/Offerings-Rates/Prospectuses.aspx](http://www.israelbonds.com/Offerings-Rates/Prospectuses.aspx).

**How do your financial professionals make money?**

- DCI's registered representatives do not receive commissions relating to the sale of Israel bonds. Their salaries do not fluctuate based upon the sale of specific types of bonds.
- DCI's registered representatives are eligible for bonuses and other incentive compensation based on meeting certain overall sales goals. In particular, registered representatives receive bonuses: (i) linked to the amount and number of Israel bonds that they sell; and (ii) calculated based on sales metrics, such as the number, nature or affiliation of purchasers. In addition, registered representatives may, from time to time, be eligible to receive additional cash and non-cash compensation if they meet additional, specified sales goals. These bonuses and programs may create a conflict by incentivizing the registered representative to recommend a shorter-term bond so that, upon maturity, the investor can purchase another bond with the proceeds and/or to recommend larger purchases of bonds in order to meet the relevant goals. This also creates an incentive for our registered representatives to recommend the initial purchase (or additional purchase) of Israel bonds based on the expected compensation rather than the customer's needs and goals.
- DCI has adopted and implemented supervisory policies and procedures to mitigate any conflicts of interest created by these bonuses and sales goal-related programs.

### **IV. DISCIPLINARY HISTORY**

**Do you or your financial professionals have legal or disciplinary history?** Yes.

Visit [investor.gov/CRS](http://investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

**Conversation Starter. Ask your financial professional:**

- **As a financial professional, do you have any disciplinary history? For what type of conduct?**

### **V. ADDITIONAL INFORMATION**

For additional information about our services, visit [www.israelbonds.com](http://www.israelbonds.com). If you would like additional, up-to-date information or a copy of this disclosure, please call [888-519-4111](tel:888-519-4111).

**Conversation Starters. Ask your financial professional:**

- **Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer?**
- **Who can I talk to if I have concerns about how this person is treating me?**



**EXHIBIT TO DEVELOPMENT CORPORATION FOR ISRAEL  
FORM CRS CUSTOMER RELATIONSHIP SUMMARY AND REG BI DISCLOSURE**

**On February 8, 2023, Development Corporation for Israel (“DCI”) filed an updated Form CRS Customer Relationship Summary (“Form CRS”). The changes DCI made since the last filing of the Form CRS are highlighted below.**

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