

Memorandum of Understanding between The Central Bank of Jordan and the Insurance Commission in the Hashemite Kingdom of Jordan

Considering the necessity for the cooperation of regulatory authorities and commissions responsible for regulating and supervising the financial sector to ensure transparency and stability of this sector and its development, and in pursuit of the attainment of effective supervision of institutions subject to the supervision of the Central Bank of Jordan and the Insurance Commission (referred to hereinafter as the two Parties), and for the goal of promoting disclosure in the financial sector and creating the proper investment environment as well as protecting the rights of depositors and those insured and benefitted by insurance documents, and due to both Parties' seeking to promote coordination and cooperation between them for the aim of achieving these objectives and performing their duties in the scope of regulation and supervision per legislations that determine and set the responsibilities and obligations of both Parties, the two Parties thereby agree to the following:

First: For the purposes of this Memorandum, regulatory pieces of information mean "pieces of information sent to any Party, obtained by any Party in the course of their performance of their regulatory role, exchanged between them, or obtained by any Party through the inspection process of institutions subject to their supervision in line with what is mentioned in this Memorandum.

Second: Cooperation and Exchange of Information:

- 1- Strengthening cooperation and coordination between the two Parties in matters related to their regulatory and supervisory work and duties, most particularly in common fields supervised by both Parties in line with related legislations.
- 2- Exchanging valid legislations, instructions, decrees, or the drafts of any of them; or regulatory requirements issued by both parties regarding the work and supervision of the other party as well as any crucial developments that occur on them.
- 3- Holding joint meetings between the two parties when necessary, to discuss matters of mutual interest and methods of developing supervision of the activities of companies and institutions subject to the supervision of the two Parties, in addition to developing banking and insurance services.
- 4- Exchanging information related to registering and licensing of companies that practice the functions of insurance which are subsidiaries of banks and institutions subject to the supervision of the Central Bank of Jordan.
- 5- Both parties shall take all necessary means to reply to each other's requests quickly and in full, and either Party will be notified in writing of any circumstance that can hinder or delay the execution of the request or extending assistance.
- 6- Each Party shall invite the other to conferences, seminars, and training courses they hold in relation to subjects of mutual interest.

Third: Cooperation in the Field of Supervising Companies Subject to the Supervision of Both Parties

- 1- Should circumstances require the Central bank of Jordan to undertake inspection of an insurance company that is a subsidiary of a licensed bank and subject to the supervision of the Insurance Commission, the two parties shall agree to the following:
 - The Central Bank of Jordan shall notify the Insurance Commission of the date determined for the inspection of the company's business.
 - The Insurance Commission shall provide the Central Bank of Jordan with any available regulatory information related to the inspection process.
 - The Insurance Commission per the approval of the Central bank of Jordan may deputize a representative to attend the inspection process. After the inspection process ends, it is permitted that opinions are exchanged regarding the outcomes of the inspection between the two parties.
- 2- In cases that require the Insurance Commission to verify the abidance of any bank practicing Bancassurance with the valid law of regulating the insurance business and the valid instructions on licensing an insurance agent and regulating their work and duties as well as decrees issued per any of them; through visiting the bank and inspecting within this scope, the two Parties hereby agree to the following in order to achieve this purpose:
 - The Insurance Commission must notify the Central bank of Jordan of the date determined for the inspection of the bank's business related to the activities of Bancassurance.
 - The Central Bank of Jordan shall provide the Insurance Commission with any available regulatory information related to the inspection process.
 - The Central bank of Jordan per the approval of the Insurance Commission may deputize a representative to attend the inspection process. After the inspection process ends, it is permitted that opinions are exchanged regarding the outcomes of the inspection between the two parties.
- 3- For the purpose of implementing consolidated supervision, the Central Bank of Jordan shall request banks that own subsidiary insurance companies to provide it with a copy of the no-objection to proceed with the procedures of publishing financial statements of insurance companies affiliated to banks that is issued by the Insurance Commission, before issuing a no-objection by the Central Bank of Jordan to proceed with the procedures of publishing financial statements.

Fourth: General Provisions:

- 1- Each Party abides by maintaining the confidentiality of unpublished supervisory information and any documents they receive from the other Party per the provisions of the law. In this respect, the employees of both Parties must maintain the confidentiality of the information obtained by them during the practice of their work.
- 2- The two Parties abide by not using (unpublished) supervisory information obtained by any Party for a purpose other than the scope of supervision or purposes for which these information were requested or the purposes for which they were presented, without the consent of the party which provided it.
- 3- The two Parties shall cooperate to implement the procedures and exchange of information that would prevent money laundering operations, fraud, and financing terrorism per the international standards and domestic legislations in that regard.
- 4- Any Party is entitled, in the case that the other party does not abide by any of the items of this Memorandum, to apply in writing to terminate it.

Fifth: To Implement the Items of this Memorandum, the Two Parties shall seek the Following:

- 1- Each Party shall assign a primary and an alternative liaison officers for the purpose of coordination in matters related to the execution of the items of this Memorandum of Understanding.
- 2- The liaison officers' duty is to follow- up the execution of this Memorandum of Understanding, and set the related procedural rules.
- 3- The two liaison officers mentioned in item (1) above shall meet periodically every three months or whenever necessary, and alternately in the premises of each Party. The minutes of the meeting shall be submitted to the Governor of the Central Bank of Jordan and the Executive director of the Insurance Commission.
- 4- The Party that wishes to inquire about or obtain information will communicate with the other Party in writing. In cases of emergency that require promptness, contacting and/ or addressing the liaison officer is made directly and as appropriate.

The memorandum shall be deemed valid as of the date on which it was signed by both parties, and is amended per the written agreement of both Parties to the amendment. It shall remain valid unless any Party requests its termination (30) days prior to the date they set.

Issued in Amman 2/3/2006

The Central Bank of Jordan

The Insurance Commission