

**Instructions of Accreditation of International Electronic
Payment Systems No. (3/2020)**

**Issued Pursuant to the provisions of paragraphs (5) of article
(3) and Article (55) of the bylaw of Electronic Payment and
Money Transfer No. (111) for 2017**

Article (1):

This instruction is called "Accreditation of International Electronic Payment Systems" and shall enter into force from the date of its approval.

Article (2):

A. Wherever they should occur herein, the following words and terms shall have the meanings designated hereunder unless otherwise connoted by the context:

<i>The Kingdom</i>	The Hashemite Kingdom of Jordan.
<i>The Central Bank</i>	The Central Bank of Jordan.
<i>Accreditation</i>	The permit issued by the Central Bank to the owner of the international electronic payment system permitting it to deal through its system with licensed payment service providers to offer electronic payment and money transfer in accordance with the provisions of the regulatory legislations and instructions issued pursuant there to and requirements mentioned in these instruction.
<i>International Electronic Payment System</i>	A group of programs or tools used for payment, transfer, clearing or settlement of funds electronically and owned by the accreditation holder.
<i>Accreditation Holder</i>	Entity located outside of the Kingdom and has an accreditation from the Central Bank.

<i>Payment Service Providers</i>	A bank, money exchange company or payment and electronic money transfer company that are licensed to perform any of the following (i) management and operation of electronic payment systems; or (ii) payment services' including the activity of electronic money transfer,
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- B. The definitions in the Bylaw of Electronic Payment and Money Transfer will be use wherever mentioned herein unless otherwise connoted by the context.

Conditions of International Electronic Payment System

Article (3):

The following is required as minimum for the purposes of obtaining accreditation for an international electronic payment system:

- A. To provide its services in one country or more other than the Kingdom.
- B. Services must be provided for a period not less than three consecutive years prior to the date of submitting the request of accreditation.

Additional Criteria for Accreditation of the International Electronic Payment System

Article (4):

For the purposes of accrediting any international electronic payment system the Central Bank will consider any of the following:

- A. The extent which the international electronic payment system may affect the safety and efficiency of the national payments

System and its components or whether there may be any threats on the safety and stability of the financial system in general.

- B. The level of risks which may arise; particularly, risks related to financial settlements, countries risks, and risks of services and products, and new technologies associated with the system, and specially, risks related to money laundering, financing of arms proliferation, and supervisory controls imposed on the system.
- C. Any other criteria the Central Bank deems necessary.

Conditions for Obtaining an Accreditation

Article (5):

The following conditions should be at a minimum available in any entity intending to obtain the Accreditation:

- A. Having a good reputation and sound financial position.
- B. Having a legal representative in the Kingdom duly registered as a legal person in accordance with the relevant legislation. The representative should be fully liable and responsible for either the Central Bank or other official entities. Additionally, the representative should, act on behalf of accreditation holder, follow up all the work in the Kingdom and to notify and be notified of all correspondence, notifications, and papers including complaints, and this legal representative should obtain a prior written approval from the Central Bank.
- C. Be subject to the supervision, oversight, and monitoring of the authorities in the country of its head office.
- D. Compliance with the regulatory legislations in the country of its head office, in particular, complying to the legislation concerning the procedures of anti-money laundering and counter terrorism financing and arms proliferation.

- E. Having the technical, technological and operational abilities to provide its services in the Kingdom.

Accreditation Requirements

Article (6):

Any entity intending to obtain the accreditation must submit an application to the Central Bank along with the following documents, which should be duly, translated a certified translation into Arabic:

- A. A copy of the registration certificate which includes the name, place and date of establishment or any other official documents for registration.
- B. A list of the principal shareholders and the names and contact information for the board of directors and higher executive management or the like.
- C. Prove that there is nothing to prevent providing its services inside the Kingdom through its system, or to provide prior written approval from the competent supervisory authority in the country of its head office indicating that not to object on providing of its services in countries where its legislation requires the need to obtain prior approval.
- D. Prove that the entity is subject to the supervision and oversight of the authorities in the country of its head office.
- E. A certificate from the competent authority in the country of its head office or the external auditor proving that there are no substantial issues affecting its reputation and financial status or any other issues the Central Bank deems it necessary.
- F. A detailed description of the international electronic payment system including the date of starting the operations in the country of its head office, in addition to the scope and the nature of business.

- G. A detailed description of the services which will be provided through the international electronic payment system in the Kingdom in addition to the work and the settlement procedures.
- H. A list of the names of payment service providers operating inside the Kingdom and participating in its international electronic payment system.
- I. Any approvals or permits obtained from the relevant authorities in the Kingdom (if any).
- J. Procedures related to the arrangements of internal controls particularly complying with anti-money laundering and counter terrorism financing and arms proliferation, and measures to ensure data protection and maintaining its confidentiality and to guarantee the continuity and reliability of providing its services in the Kingdom.
- K. A written pledge to guarantee the entity is committed to all relevant legislation in the Kingdom which cover the conducting of its business including this instructions and any circulars issued by the Central Bank, and to guarantee that the entity will provide the Central Bank at any time with any information or data related to their business or activities and any issues may affect its financial safety and international reputation and any other issues the Central Bank deems it necessary, and to guarantee that the entity will meet all its obligation for its clients in the Kingdom.
- L. Any other documents the Central Bank deems it necessary to provide the accreditation.

Article (7):

- A. If the Central Bank deems that the application to obtain accreditation is incomplete, the applicant shall have (60) days, as of the date of notification by the Central Bank, to complete the application; and where failing to do so, application may be deemed cancelled.
- B. The Central Bank has the right to investigate the accuracy of the information provided by all means. Such investigations may

include appointing a team to visit the applicant's in its head office or in any other country where it provides its services through the international electronic payment system, in order to assess the nature and mechanism of the system and how the services are provided, and whether the applicant is ready to provide its services in the Kingdom in accordance with these regulations this should be done after coordination with relative parties.

- C. The Central Bank shall notify the applicant within (90) days of the date of duly submitting the complete application, of its decision of approval or rejection.
- D. The accreditation shall be granted for an indefinite term, conditioned that it cannot be assigned to others.

The Accreditation Holder Obligations

Article (8):

The accreditation holder shall meet the following requirements at a minimum:

- A. Not to provide other services in the Kingdom related to Electronic Money Transfer, excepting to the services specified by the accreditation letter issued by the Central Bank or to be approved later by the Central Bank.
- B. Dealing exclusively with the payment service providers after proving that necessary approvals have been obtained from the Central Bank according to the regulating legislations, Or any other parties from inside the Kingdom that provides electronic payment and money transfer pursuant to private laws.

- C. Provide the Central Bank in the event of contracting or terminating contracts –with clarifying the reasons- made by accreditation owner with any of the payment service providers or any parties inside the Kingdom performing provides electronic payment and money transfer pursuant to private laws, and the accreditation holder is committed to provide the Central Bank with these cases within a period of time not exceeding (7) days from the date of its request.
- D. Inform the Central Bank of any cases related to the cancellation or temporary stopping of the contracting with any payment service providers or any other parties from inside the Kingdom that provides electronic payment and money transfer pursuant to private laws, for reasons related to a lack of compliance requirements, or procedures of anti-money laundering and counter terrorist financing, or arms proliferation. And the accreditation holder is obligated to inform the Central Bank of these cases within a period of time not exceeding (3) days from the date of the incident.
- E. To have standards, requirements and fair and clear procedures to participation of the payment service providers in the international electronic payment system.
- F. To have rules, procedures and policies to tackle complaints and dispute resolution which include, how to inform payment service providers of its results and resolve disputes, and receiving executed transactions including the paid amount in case of proven objection. The response to it should be according to the time periods specified in the accreditation holder rules and procedures. The accreditation Holder shall also be obliged to provide the Central Bank with any

information or data related to the matter in particular if it is requested and within a period of time not exceeding (7) days from the date of its request, and all of this be followed up by the legal representative of the accreditation holder.

- G. Take all measures to maintain the continuity of the international electronic payment system and recover from disasters in a manner that ensures safety, security, reliability and availability of the services provided and restore the ability to work after disasters.
- H. Not stop providing services inside the Kingdom for any reason unless a prior written approval is obtained from the Central Bank, excluded from this any urgent cases not within the control of the accreditation owner, condition that the accreditation owner is committed to present a specific plan to the Central Bank that includes specific procedures and gradual and systematic steps to avoid any harm to payment service providers as possible.
- I. To have adequate procedures and controls to protect the international electronic payment system and its participants from payment service providers from risks, including risks of penetration, fraud, hacking, data theft or any other illegal operations, specifically money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction , and to request from the payment service providers to provide the best security requirements and apply internationally accepted procedures and recommendations in the payments industry or electronic money transfers to avoid such risks.

- J. To have the necessary arrangements to organize the working hours of the international electronic payment system, clearing and settlements with payment service providers, include providing procedures, mechanisms and controls for managing financial Collateral (if any) so that, these procedures, mechanisms and controls are appropriately designed with high flexibility to deal with these collaterals continuously.
- K. To have the necessary procedures to maintain the confidentiality and privacy of the data and not disclosing it to others directly or indirectly and to continue to do so after the cancellation of the accreditation and in accordance with the arrangements determined by the Central Bank in case the accreditation is canceled.
- L. Inform the Central Bank of any risks, including cases of breaches, frauds, data theft or illegal operations, risks of money laundering, terrorist financing or the proliferation of weapons of mass destruction that the international electronic payment system or any participating payment service provider may be exposed to as soon as possible. In all cases, the period of notifying the Central Bank of such risks must not exceed (3) days from the date of their discovery.
- M. Comply with any technical or operational requirements or standards, including working times, clearing and settlement arrangements imposed by the Central Bank if deems it appropriate.
- N. Provide the Central Bank with any information, data or reports requested, within the limits of the scope of services provided by the accreditation holder inside the Kingdom.

- O. Provide the Central Bank, upon request, with any data or information (if any) related to third parties that are contracted by payment service providers participating in the international electronic payment system, for the purposes of handling payment transactions on behalf of payment service providers, such information or data shall be provided with a maximum of (7) days from the date of its request.
- P. Comply with all in force regulations related of Anti-money Laundering and Counter Terrorist Financing for Electronic Payment and Money Transfer companies , Issued by the Central Bank. And to the extent that it applies to it, and to comply with stricter in case of difference between of its home country from the requirements contained in those instructions. And the accreditation holder is obliged to notify the Central Bank of any prohibitions or restrictions, which may affect or prevent the accreditation holder's ability to apply.

The Accreditation Cancellation Cases

Article (9):

- A. The Central Bank may at any time cancel the accreditation immediately or as it deems appropriate in any of the following cases:

- 1) If it was proven that the accreditation was granted based on incorrect, inaccurate or misleading information or data.
- 2) If the accreditation holder does not proceed the activities he is permitted to do according to the accreditation within a period of six months from the date of granting the accreditation, unless the Central Bank agrees to extend this period.
- 3) In case the accreditation holder refrains to abide to these instructions or any other requirements and conditions issued by the Central bank of the accreditation holder or violates it.
- 4) In the case the accreditation holder commits grave offence or illegal or unsafe transactions or have caused a malfunction or threat to the continuity or safety of the international electronic payment system, or any payment service providers, or may negatively affect the efficiency and safety of the national payments system and its components or the safety soundness of the financial system inside the Kingdom.
- 5) If the accreditation holder made any actions that prevent the Central Bank from implementing its supervision and oversight function over payment service providers.
- 6) If the accreditation holder stops performing its works without a prior written approval from the Central Bank, excluding urgent events that may occurs with the accreditation holder.
- 7) In the event that the accreditation holder license granted is cancelled by the competent authorities in the country of its head office, or if substantial matters occur affecting the integrity of its

financial conditions and its international reputation, or for any reason the Central Bank deems appropriate.

- 8) In case the accreditation holder submits an application to the Central Bank to cancel the Accreditation.
- 9) In case the liquidation of the accreditation holder or the announcement of bankrupt in the country of its head office.

B. In case the accreditation cancelled by the Central Bank, the accreditation holder must settle all financial obligations incurred related to the services provided, and terminating the arrangements for participation with payment service providers within the appropriate agreed procedures, and the Central Bank informs the payment service providers about this cancellation as deems it appropriate.

General Provisions

Article (10):

A. Accreditation holder should regulate its relationship with the payment service provides through agreements which include at a minimum, the responsibilities and rights of both parties; the scope of permitted works; the duration of the agreement and the events of termination; the agreed commission and the mechanisms of distributing the same; mechanisms of dealing with complaints and mechanisms for disputes which may arise; and the regulatory legislations and Penal conditions resulting from the failure of either party to the terms of the agreement.

- B. The Central Bank may at any time reject the contract made between the accreditation holder with any payment service provider for the purposes of participating in the international electronic payment system.

Article (11):

The Central Bank has the right to conduct a field visit to the country where the management and operations of the international electronic payment system is located, through the team of employees authorized by the Central Bank to observe the works that is permitted for the accreditation holder to be provide in the Kingdom and after cooperation and coordination with the accreditation holder. The accreditation owner should cooperate with the Central Bank team so that they can fully carry out their work, including providing them with any information or documents they deem necessary for this purpose.

Article (12):

- A. The accreditation holder is obliged to ensure that all commissions should be clearly and explicitly determined and agreed with the payment service providers. Noting that, in all cases, such commission should not contradict with the minimum and maximum limits decided by the Central Bank, if any. And after the coordinating with accreditation holder.
- B. In the case that the amount of the payment or transfer order executed through the international electronic payment system is in favor of the payment service provider in a foreign currency other than the Jordanian currency, the accreditation holder must take

measures or arrangements that guarantee the delivery or receipt of the amount subject to payment or transfer in the same foreign currency as the payment or Transfer. The accreditation holder may upon the request of the payment service provider deliver or receive the amount to payment or transfer in the Jordanian currency according to the published prices from the Central Bank, and according to the limits and controls set by the Central Bank for this purpose. With due observance of the provisions of paragraphs (C) and (E) of article (20) of the bylaw of Electronic Payment and Money Transfer No. (111) for 2017.

- C. Notwithstanding the provisions of paragraph (B) of this Article, Banks and exchange companies are allowed to deliver the transfer amount either in Jordanian currency or any other currency upon the request of the beneficiary, and this should be according to the published prices from the Central Bank.

Article (13):

- A. It is prohibited for the accreditation holder, in any case, to take any procedures or arrangements that impose exclusivity on the payment service providers with their international electronic payment system only and not others.
- B. the accreditation holder is not permitted to impose the application of any of the services, products or technologies related to the international electronic payment system, for example (Blockchain technology) on payment service providers, unless a prior written approval is obtained from the Central Bank. The Central Bank

shall respond to the accreditation holder in particular as soon as possible.

Article (14):

In the event of any contradictions between the provision of these Instructions and the regulatory legislations governing the works of the accreditation holder in the country of head office, the accreditation holder must notify the Central Bank clarifying such contradictions along, and obtaining the approval from the Central Bank on the method of dealing with this conflict.

Article (15):

- A. All entities outside the Kingdom that own an international electronic payment system and deal through its system with any of the payment service providers to provide electronic payment and money transfer services to adjust its position of these instructions within a period not exceeding one year from the date of the enforcement of these instructions. The Central Bank may extend this period for another year in the event that there are convincing justifications that reinforce.
- B. All payment service providers must confirm that all parties outside the Kingdom that own an international electronic payment system and have business with it had adjusted its position in accordance with the provisions of Paragraph (A) of this Article.

Governor
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