Central Bank of Jordan

No.: 1/1/5/7766

Date: 3 Sha'aban 1435

Corresponding to: 01 June 2014

Procedures for Implementing the Purpose Code and Straight-Through Processing (STP) for Financial Remittances (Payments)

All banks operating in the Kingdom shall abide by the procedures explained hereunder for purposes of implementing the purpose code for financial remittances and implementing the straight- through processing that are defined pursuant to the provisions of Article 15 of "Instructions for Implementing the IBAN No. 22 of 2013" dated 13/06/2013. All banks shall also configure their systems for this purpose prior to the date of application which will be launched on 02/02/2015. These procedures shall be an integral part of the aforementioned instructions and shall be imperatively applicable:

First: Purpose Code for Financial Remittances

All banks shall follow the procedures indicated hereunder for the purpose of using unified purpose codes for financial remittances that consist of 4 digits:

- a- Using the unified purpose codes list enclosed in these procedures in order to specify the purpose of incoming and outgoing financial remittances.
- b- Preparing their operating systems in addition to entering and defining the unified list on these systems.
- c- Issuing a circular to their correspondent banks operating abroad of the list of the purpose codes for remittances and notifying them of the necessity to include such codes when sending their messages.

d- Verifying the purpose of the outgoing remittances and including the relevant purpose code in the fields specified in the outgoing swift message.

e- Verifying whether the purpose code for incoming remittances is as per the list approved in the Kingdom. If the purpose code is not there or if it is other than those mentioned in the list, the bank shall take effective measures based on estimating the degree of risks resulting from dealing with these remittances. Such measures may include requesting a purpose code for remittances from the sending bank. In the event that such code is not obtained, the bank shall take measures based on estimating the degree of risks including rejecting the remittance.

Second: implementation of Straight-Through Processing STP

Remittances shall be carried out through STP provided that the bank abides by the following:

a- Full adherence to the provisions of Anti- Money Laundering and Combating the Financing of Terrorism Instructions No. (51/2010) dated 23/11/010 and any amendments thereof, particularly on Articles 6 and 7.

b- Preparing the operating bank's systems to receive incoming remittances through STP. The values of such remittances shall not exceed 10,000 JD or equivalent in foreign currencies. Such limit shall be filled in the variable field of "Parameter" so that the bank can modify it according to the requirements of the Central Bank.

c- Upon receiving any STP remittance, the bank shall put a sign to automatically verify the following:
1- That the remittance request includes full information about the applicant requesting the remittance.
2- That the purpose code is as listed in the approved list in the Kingdom.
3- The validity of the IBAN of the beneficiary's account.

4- Verifying that the beneficiary and/ or applicant requesting the remittance is not listed in the sanction list established pursuant to the Security Council Resolutions.

5- Verifying that the amount of remittance is within the limit specified by the Central Bank to be accepted automatically.

d- If all of the aforementioned procedures are completed and verified, and for the purpose of crediting such remittances, the bank shall:

1- If the account of the beneficiary of the remittance is maintained with the bank, the remittance shall be processed automatically through the bank's systems and the procedures to accept it automatically and credit it to the beneficiary's account shall be proceeded.

2- If the account of the beneficiary of the remittance is maintained with another bank, the remittance shall be accepted and debited to the bank's systems then the bank shall issue a remittance for the beneficiary's bank.

e- If any of the procedures indicated in paragraphs and items mentioned in "Second" was not fulfilled, the remittance shall be stopped automatically and the bank shall take necessary measures manually.

Third: Testing the Bank's Operating Systems

All banks shall prepare their operating systems to apply the purpose code for financial remittances and straight- through process (STP) and be ready by 02/01/2015 as a maximum, noting that the bank's systems will be subjected to a joint test in coordination with the Central Bank of Jordan.

Governor

Ziad Fariz

Attachments:

List of the Purpose Codes for Remittances

List of fields for purpose of remittances in addition to the Mandatory and Optional IBAN Fields for all Types of SWIFT Messages.

Action Plan