

No. 10/2/9773
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Instructions for Licensed Banks' Branching Inside Jordan.

Circular No. (36/2007)

Pursuant to the provisions of the Articles (17/b) and (99/b) of the Banking Law No. (28) For the year 2000, I list below the basis of the local banking branching of licensed banks in the Kingdom, as follows:

First: The local banking branching of licensed banks has the following forms:

- 1) Branches or offices, including money exchange offices.
- 2) Locations for marketing banking services and products'.
- 3) Automated Teller Machines (ATM's).

1) Branches or offices:

A- Banks that are willing to branch inside the Kingdom should apply in writing to the Central Bank of Jordan, with supporting documents concerning the board of directors' approval on branching, economic feasibility study, identification of the intended geographic area, and the expected date of branching of each branch or office.

B- The following aspects will be taken into account when reviewing the applications for establishing branches and offices:

- 1- The extent to which the bank is complying with banking legislation, particularly the bylaws and instructions issued in pursuance to the Banking Law.
- 2- The soundness of the financial, administrative and organizational situation of the bank in general as well as existence of integrated control and internal control systems.

C- Meeting the aforementioned conditions by any bank is considered as merely a base for the consideration of its branching application, but not necessarily an automatic approval of the Central Bank for branching; the Central Bank has the right to request any additional information or financial data or the satisfaction of any additional conditions.

D- The bank, which got the approval of the Central Bank to license any new branch or office, has to notify the Central Bank, in writing, two weeks before launching the branch or office businesses; such notification should include administrative

information of the branch or office, such as the name of the manager, the address, phone and fax numbers.

- E- Each bank must be committed to open the approved branches or offices no later than a year from the date of approval by the Board of Directors of the Central Bank of Jordan. After the above-mentioned period, the approval is considered legally void, the Central Bank will not consider any request to extend the period of licensing unless proved that the delay in launching the business was justified; in such a case the Central Bank has the right to extend the license for a maximum period of one year, provided that the bank should apply for extension at least two months before the expiration date of the first approval.
- F- The branch or the office that obtained the license is not allowed to practice banking activities through more than one location.
- G- The bank should obtain prior approval from the Central Bank of Jordan before taking any of the following actions:
 - Shutting down, temporarily or permanently, the branch or office, as well as the justifications of such action.
 - Moving any branch or office from one location to another.
- H- The bank has the right to identify the banking activities to be performed through its corresponding branch or office, provided that all necessary actions to ensure the availability of adequate internal control systems have been applied.
- I- The bank which is willing to expand the banking operations provided by the office, should inform the Central Bank in advance to take necessary actions in this regard.
- J- The Provisions of the Bylaw for Banks' Fee Licensing No. (121) for the year 2004 and any future amendments, are applied to the bank's branches and offices operating within the Kingdom.
- K- The Bank should provide the Central Bank with statistics showing the number of licensed branches and offices and their locations as they are at the end of each year, in accordance with the attached two forms, provided that these forms should be delivered to the Central Bank no later than mid-January of each year.

2) Locations of Marketing Banking Services and Products:

- A- The bank which is willing to market its products and services through (permanent or temporary locations) should notify the Central Bank; such notification should include the location, the date of launching business in this location, and the date of closing business in the location.

B- Announcing in a clear place that the work is confined to marketing services and products of the bank, without providing any of the activities undertaken by the branches and offices.

C- The Bank should provide the Central Bank, at the end of each year, with statistics showing the number and the addresses of these locations.

3) Automated Teller Machines (ATM's).

Each bank willing to install an ATM should inform the Central Bank with the desired location of the ATM, and should take into account the following:

A- Providing adequate security conditions as well as surveillance cameras to all ATMs of the bank.

B- Ensuring the validity of using the ATMs of the bank and working on fixing any technical failures once they occur.

C- Providing the Central Bank, at the end of each year, with statistics showing the number and the locations of these ATMs, as well as the services provided by them.

Second: These instructions should come to effect as of date and the following circulars should be cancelled:

- 1- No. (10/2/13311) dated December 26th, 2005
- 2- No. (10/2/10822) dated October 6th, 2005
- 3- No. (7020/68) dated January 2nd, 1996
- 4- No. (7020/29785) dated December 18th, 1994
- 5- No. (7020/19838) dated August 16th, 1993
- 6- No. (7020/20541) dated October 3rd, 1992

Attachments: two forms.

Governor

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