

"This document has been translated for knowledge, but for legal purposes the Arabic version is adopted"



**Number: 26/2/6359**

**Date: 07 Ramadan, 1444 Hijri**

**Corresponding to: March 29, 2023**

**Circular to:**

**All Operating Banks in the Kingdom**

**Electronic Payment and Money Transfer Companies**

**Accredited international payment systems operators**

**After Greetings,**

Within the framework of the Central Bank of Jordan's regulation of the national payments system in a manner that ensures the provision of safe and efficient payment systems and services in the Kingdom, and its belief in the importance of supporting the process of developing and stimulating electronic payment transactions and their acceptance in the retail and government payments market; in a way that enhances and meets the needs of all citizens and institutions of various business sectors, and to contribute to the dissemination and delivery of digital financial services to them in a fair and secure manner, at an appropriate cost, and within achieving high rates of financial inclusion rates that are in line with the Kingdom's orientations towards a comprehensive and advanced digital economy.

And in light of the outcomes of the Legislative Impact Assessment study of the Central Bank of Jordan's Circular No. (26/2/6404) dated 9/6/2020 and its subsequent circulars regarding controlling and regulating card payment commissions, and the outputs of the consultation process implemented in this regard with all banks operating in the Kingdom, electronic payment and money transfer companies, and international payment companies that have obtained accreditation to provide services for management, processing, clearing, and settlement of payment or transfer transactions executed through payment tools.

And based on the provisions of Article (34/A) of the Electronic Payment and Money Transfer Bylaw No. (111) of 2017 and the provisions of Article (12/A) of the instructions of accreditation of international electronic payment systems in force, and in spite of what was stated in Article (16/B) of instructions on dealing with customers fairly and transparently in force, and its amendments, the following was decided:

**Article (1): The following words and phrases, wherever mentioned in this circular, shall have the meanings assigned to them, unless the context indicates otherwise:**

"This document has been translated for knowledge, but for legal purposes the Arabic version is adopted"

|  |   |
|--|---|
| <b>The Central Bank :</b>                  | The Central Bank of Jordan  |
| <b>Acquirer :</b>                          | The bank or the company licensed by the Central to conduct the activity of providing services to collect money electronically through points of sale, automated teller machines (ATMs), or any other electronic payment channels approved by the Central Bank in accordance with the provisions of the Banking Law in force or the provisions of the Electronic Payment and Money Transfer Bylaw in force.  |
| <b>Issuer :</b>                            | The bank or the company licensed by the Central Bank to conduct the activity of issuing and managing payment cards in accordance with the provisions of the Banking Law in force or the provisions of the Electronic Payment and Money Transfer Bylaw in force.   |
| <b>Payment System Operator :</b>           | The bank or company licensed by the Central Bank to conduct the activity of managing and operating the electronic payment system to process and authorize financial transactions on payment cards by linking the network of automated teller machines (ATMs) or points of sale, or the owner of the international electronic payment system who has obtained accreditation to provide services for management, processing, clearing, and settlement of payment or transfer transactions executed through payment instruments in the Kingdom, in accordance with the provisions of the Electronic Payment and Money Transfer Bylaw in force. |
| <b>Payment Card :</b>                      | A payment instrument approved by the Central Bank that enables the customer to make payments at points of sale or cash withdrawals through automated teller machines (ATMs), it includes prepaid, credit and debit cards, in accordance with the provisions of the Electronic Payment and Money Transfer Bylaw in force.  |
| <b>Customer :</b>                          | Payment card holder.  |
| <b>Point Of Sale :</b>                     | An electronic means approved by the Central Bank provided by the acquirer to the merchant in physical or digital form to accept the payment transactions executed by the customer using the payment card.   |
| <b>Merchant :</b>                          | the person contracting with the acquirer; for the purposes of collecting the money paid by customers through payment cards for their purchase of goods or services, or for the purposes of accepting any of the payment transactions approved by the Central Bank, including e-commerce sites.  |
| <b>Domestic Payment Transaction :</b>      | Payment transactions executed at points of sale or cash withdrawals executed by automated teller machines (ATMs) using a payment card issued by an issuer inside the Kingdom.   |
| <b>International Payment Transaction :</b> | Payment transactions executed at points of sale or cash withdrawals executed by automated teller machines (ATMs) using a payment card issued by an issuer outside the Kingdom.  |
| <b>Interchange Fee :</b>                   | The value paid by the acquirer to the issuer, directly or indirectly, from the value of the merchant's discount rate in exchange for  |

"This document has been translated for knowledge, but for legal purposes the Arabic version is adopted"

|                                 |   |
|---------------------------------|---|
|                                 | local payment transactions executed at points of sale, in accordance with the provisions of this circular.  |
| <b>Merchant Discount Rate :</b> | The value paid by the merchant to the acquirer in exchange for the payment transactions executed at the points of sale, in accordance with the provisions of this circular. |
| <b>Payment Transactions :</b>   | Local and international payment transactions.   |

**Article (2):** The provisions of this circular apply to:

A) The bank or the company licensed by the Central Bank to conduct any of the following activities in accordance with the provisions of the Banking Law in force or the provisions of the Electronic Payment and Money Transfer Bylaw in force:

- 1) The activity of issuing and managing payment cards.
- 2) The activity of providing services to collect money electronically through points of sale or ATMs.

B) An entity from outside the Kingdom that has obtained accreditation from the Central Bank to provide services for management, processing, clearing, and settlement of payment or transfer transactions executed through payment instruments.

**Article (3):** The acquirer must comply with the following:

A) Collecting a merchant's discount rate in exchange for payment transactions executed on points of sale, the maximum of which does not exceed the percentages or values shown below, taking into account the classification of sectors:

| Sectors classification  | Value of Merchant Discount Rate % |                                   |
|---|-----------------------------------|-----------------------------------|
|   | Domestic payment transaction      | International payment transaction |
| Government, including the military and civilian consumer corporations | 0.80%                             | 1.95%                             |
| Fuel  | 20 piasters                       | 20 piasters                       |
| Transit and transportation  | 1.00%                             | 2.00%                             |
| Basic services  | 1.00%                             | 2.00%                             |
| Commerce  | 1.25%                             | 2.25%                             |
| Education   | 1.50%                             | 2.25%                             |
| Healthcare  | 1.50%                             | 2.5%                              |
| Tourism   | 1.50%                             | 2.5%                              |
| Telecommunication and information                                     | 1.50%                             | 2.5%                              |
| E-commerce  | 1.50%                             | 2.5%                              |
| Other   | 1.50%                             | 2.5%                              |

B) Paying an interchange fee for Domestic payment transactions executed at points of sale according to the following percentages and values, classified by sector type:

**"This document has been translated for knowledge, but for legal purposes the Arabic version is adopted"**

- 1) 0.25% of the value of the payment transaction executed for the benefit of the merchant classified within the government sector, including the military and civilian consumer corporations.
  - 2) 8 piasters for each payment transaction executed for the benefit of the merchant classified within the fuel sector.
  - 3) 0.50% of the value of the payment transaction executed for the benefit of the merchant classified within any of the sectors mentioned in Paragraph (A) of this Article, except for what is mentioned in Clauses (1) and (2) of this Paragraph.
- C) Not to charge merchants any fees or commissions in any way for their possession/ ownership of points of sale.
- D) Despite what was stated in Paragraph (C) of this Article, the acquirer is allowed to charge additional commissions from merchants classified within the e-commerce sector in exchange for their possession of points of sale, provided that these commissions do not exceed the following limits:
- 1) 21 dinars to be paid on a monthly basis.
  - 2) 10 piasters for every payment.
- E) Taking the necessary measures to ensure that merchants do not collect any additional commissions from customers (surcharges) in return for the payment transactions executed on their points of sale, with the exception of the following cases and until further notice decided by the Central Bank in this regard:
- 1) Payment transactions executed for the benefit of the government sector institutions, with the exception of the military and civilian consumer corporations.
  - 2) Payment transactions executed for the benefit of the fuel sector institutions.
  - 3) Payment transactions executed for the benefit of licensed money exchange companies for foreign currency buying and selling transaction services, and this does not include payment transactions for the execution of transfer orders.
  - 4) Any other cases approved by the Central Bank.
- F) Not to provide any financial or banking incentives or advantages for the benefit of merchants, whether directly or indirectly, except after obtaining the prior written approval of the Central Bank.
- G) Not to collect a merchant discount rate in a manner that reflects to the Central Bank the acquirer's following a behavior that may result in damage to the retail payment market or a negative impact on competitiveness in the electronic collection of funds sector through points of sale, and in case that it is proven to the Central Bank during its investigation that this is true, it will take its administrative measures and impose penalties that may reach to stopping the acquirer from carrying out his activity.

**Article (4): The issuer must comply with the following:**

- A) Paying a commission equal to (one dinar) for any cash withdrawal transaction executed by the customer through the automated teller machines (ATMs) belonging to the acquirer, so that (70%) of the

"This document has been translated for knowledge, but for legal purposes the Arabic version is adopted"

value of this commission is paid to the acquirer and the (30%) to the payment system operator/ manager.

B) The issuer is allowed to charge the cash withdrawal commission by the automated teller machines (ATMs) mentioned in Paragraph (A) of this article of the customer.

**Article (5): The payment system operator/ manager shall comply with the following:**

A) Take measures to ensure the settlement of the interchange fee value in accordance with what is stipulated in Paragraph (B) of Article (3) above.

B) Take measures to ensure that the issuer pays commissions as stipulated in Paragraph (A) of Article (4) above.

**Article (6): General Provisions**

A) This circular comes into force after sixty days from the date of its issuance.

B) All circulars of the Central Bank that contradict this circular, including the following, shall be cancelled, as of the date this circular enters into force:

- 1) Circular No. (26/2/6404) dated 9/6/2020.
- 2) Circular No. (26/2/9508) dated 4/8/2020.
- 3) Circular No. (2/26/9601) dated 5/8/2020.
- 4) Circular No. (2/26/6646) dated 4/27/2021.

**With respect,**

**Governor  
Dr. Adel Sharkas**