

No.: 27/5/3808

Date: 3/7/1440 Hijri

Corresponding to: 10/3/2019

Circular to banks operating in the Kingdom

After Greetings,

With reference to the meeting that was held at the Central Bank of Jordan about the draft of "Prizes related to savings accounts instructions" on 22/1/2019, and in order to organize the final exit from this phenomenon and give the banks that are active in awarding prizes sufficient time for that without affecting their business, the following was decided:

First: Maintaining the status quo with banks during the year 2019 regarding their plans to award prizes on savings accounts.

Second: As of the beginning of 2020, the process of awarding prizes to savings accounts with banks is regulated through a number of quantitative and qualitative controls attached to this circular.

Third: As of the beginning of 2021, the reward programs on savings accounts with banks will be completely canceled, except for the rewards and benefits programs that all customers benefit from as a result of their use of the bank's services and products.

Fourth: Banks are allowed to set interest rates on savings accounts, provided that banks announce the interest rates on their savings accounts on the bank's website, head office and branches, as of date, and that they are fully adhered to in accordance with the requirements of the instructions in force.

Respectfully,

Governor

Dr. Ziad Fariz

- Attachment.

Attachment

Quantitative and qualitative controls for awarding prizes on savings accounts for the year 2020

1. Characteristics of prizes on savings accounts

- a. The maximum limit for the value of one prize (whether in cash or in kind) on the savings account may not exceed the value of (100,000) one hundred thousand Jordanian dinars, and the value of all cash and in-kind prizes presented by the bank during one year may not exceed (3) million Jordanian dinars.
- b. The periodicity of prize draws is determined as follows:
 - Draws for major prizes whose value is specified in Paragraph (A) of this Article shall be twice a year as a maximum, provided that they are unified for all banks on the last working day of June and December.
 - Draws for prizes whose value ranges between (10,000 Jordanian dinars - less than 100,000 Jordanian dinars) shall be four times as a maximum; on the last working day of the following months: March, June, September, and December.
 - Banks may determine the periodicity of draws for prizes that are less than 10,000 Jordanian dinars.

2. Marketing and advertising savings accounts linked to prizes

Banks may promote savings accounts linked to prizes through main centers and branches, websites, social media, and audio-visual media channels, provided that the bank adheres to the following:

- a. The information and special terms and conditions mentioned in the direct or indirect announcement of the savings account or the prize shall be accurate, clear, comprehensive, and expressive of the prize for what it is, and the advertising content shall not be exaggerated nor the features of the savings account associated with the prizes shall be inflated.
- b. The name of the bank must be clearly shown in all advertisements upon publication, and the advertisement language should be simple, easy and do not bear confusion or interpretation, and that no specialized technical terms that are not understood by clients are used.
- c. The phrases used in indirect advertising, specifically the audio-visual media channels as well as electronic messages, may be brief, provided that the bank provides all the details on its website and in its branches.

- d. Each bank must adhere to the means of legitimate competition in announcing the prizes associated with savings accounts, and refrain from practices that may fall within the framework of unfair competition.
- e. The bank must adhere to the conditions announced for presenting the prizes and not amend any of them or add new conditions.
- f. Advertisements related to the promotional campaign to present the prizes shall be removed after its completion.
- g. The announcement of the cash and in-kind prizes should indicate that they are subject to income tax.

3. General rules

- a. The bank must ensure that the customer has signed a statement that he/ she knows that the savings account which belongs to him/ her is subject to the terms and conditions of savings accounts linked to prizes.
- b. The value of the prizes offered by the bank shall not be a substitute for paying interest to customers with savings accounts.
- c. The bank shall provide the Central Bank on a monthly basis with the interest rates on the savings accounts.