

10/2/2/
//1438 Hijri
Corresponding to // 2016

**Instructions on Compulsory Cash Reserve
No (68/ 2016)**

Pursuant to the provisions of Article (42) of the Central Bank of Jordan Law no (23) of 1971 and its amendments, I thereby decide the following:

Article (1): The following expressions shall have the meanings indicated below, wherever they appear in these instructions, unless the context indicates otherwise:

- **The band subject to the requirements of the compulsory cash reserve:** All customers deposits in the Jordanian Dinar and in foreign currencies.
- **The compulsory cash reserve ratio:** The determined ratio on the band subject to the requirements of the compulsory cash reserve.
- **The Reserve Period:** The period during which (65%) of the amount of the compulsory cash reserve calculated in Jordanian Dinar is retained. The period extends for one month as of the date of the retaining.
- **The Maintenance period:** The period during which (35%) of the amount of the compulsory cash reserve calculated in Jordanian Dinar is maintained according to the daily average of balances that cover the said ratio.

Article (2): The compulsory cash reserve is calculated on the basis of the valid ratio (currently 7%) and according to the monthly average band of daily balances of customers deposits for the previous month of the reserve's deposit; such ratio must not be less than (5%).

Article (3): The special requirements of the compulsory cash reserve in Jordanian Dinar:

- A- A bank shall maintain with the Central Bank (65%) of its due compulsory cash reserve in Jordanian Dinar during the reserve period that extends for one month as of the fifth working day of each month. The daily reserved amount must not in any way be less than the said ratio.
- B- Banks must maintain the part maintained on the basis of daily average which amounts to (35%) of the required reserve for the previous reserve period belonging to this ratio. This period extends for (14) days as of Monday and till Sunday whereas Sunday is included for the purposes of the reserve, counting the Fridays, Saturdays and official holidays. The maintenance day would be Sunday or the final working day of that period.

Article (4): The special requirements of the compulsory cash reserve in foreign currencies:

- A- Keeping the compulsory cash reserve in foreign currencies as deposits due in one month as of the tenth day of each month, in all or in any of the main foreign currencies mentioned in the daily bulletin of the foreign currencies prices issued by the Central Bank.
- B- The deposits in foreign currencies subject to the requirements of compulsory cash reserve are evaluated according to the medium price of the prices of “daily foreign currencies for evaluation purposes” and per the bulletin issued by the Central Bank on the final working day of the month.
- C- The deposit is retained without interest by calling the Central Bank dealing room two working days prior to the maturity date of the deposit, provided that the Central Bank receives a supporting document that states what was agreed upon, and includes the following:
 - The amount of deposit in the foreign currency in number and in words.
 - The dates of deposit and maturity.
 - The name of the Central Bank correspondent to whom the amount will be credited or whose account with the Central Bank will be debited as per an authorization.
- D- The stipulations for discharging deposits that exceed the required amount of the compulsory cash reserve shall be subject to the same stipulations for discharging the Central Bank’s deposits with its foreign correspondents, and which require calling the Central Bank dealing room two working days prior to the maturity date of the deposit.

Article (5): Fines indicated in Article (42/ D) of the Central Bank Law no (23) of 1971 and its amendments shall be imposed in case of violations of the limits set in these instructions.

Article (6): The two attached forms shall be approved for the purposes of calculating the compulsory cash reserve, and must be submitted to the Central Bank no later than the third working day of each month.

Article (7): General Provisions:

These instructions shall apply as of the data for the upcoming January, and the following circulations and memorandums are cancelled:

- The Instructions on compulsory cash reserve no (19/ 2004) date 25/7/2004.
- The Circulation no (10/2/2/5654) date 16/4/2009.

Governor
Dr. Ziad Fariz

Attachments (2)

Form (1)

The compulsory cash reserve of the bank.....
The data for the month.....of the year.....

Statement	Total	Jordanian dinar	Foreign Currencies
The monthly average of the daily customers deposits balances during the month*			

*The certificates of deposits issued by the Central bank are treated as customers deposits.

The Stamp and Signature of the bank:

- **Any subsequent modification to this form shall not be approved unless supported by an official letter signed by the General Manager of the bank.**

Form (2)
The Bank's Deposits in foreign currencies

Currency	The monthly average of daily balances in the foreign currencies	The equivalent balance in Jordanian Dinar according to the conversion rate at the end of the month
US Dollar		
Euro		
Australian Pound		
Japanese Yen		
Others		
Total		

- The monthly average of daily balances of customers deposits in foreign currencies is taken during the previous month per each currency. Afterwards, the monthly averages are evaluated according to the medium price for each currency in line with the daily bulletin of the foreign currencies' prices issued by the Central Bank on the last working day of the month.

The Stamp and Signature of the bank:

- **Any subsequent modification to this form shall not be approved unless supported with an official letter signed by the General Manager of the bank.**