

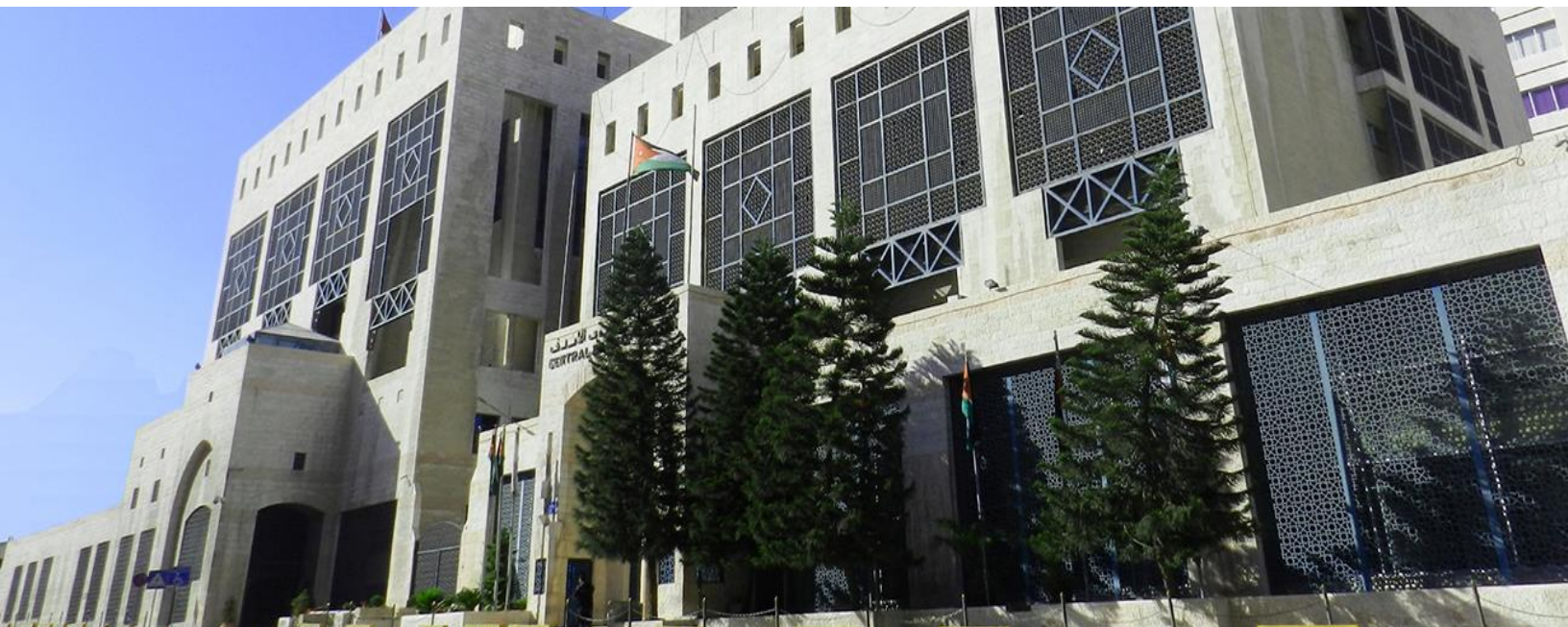


# ACCREDITATION GUIDELINE

*For*

*International Electronic Payment System*

*International Electronic Payment System Companies*



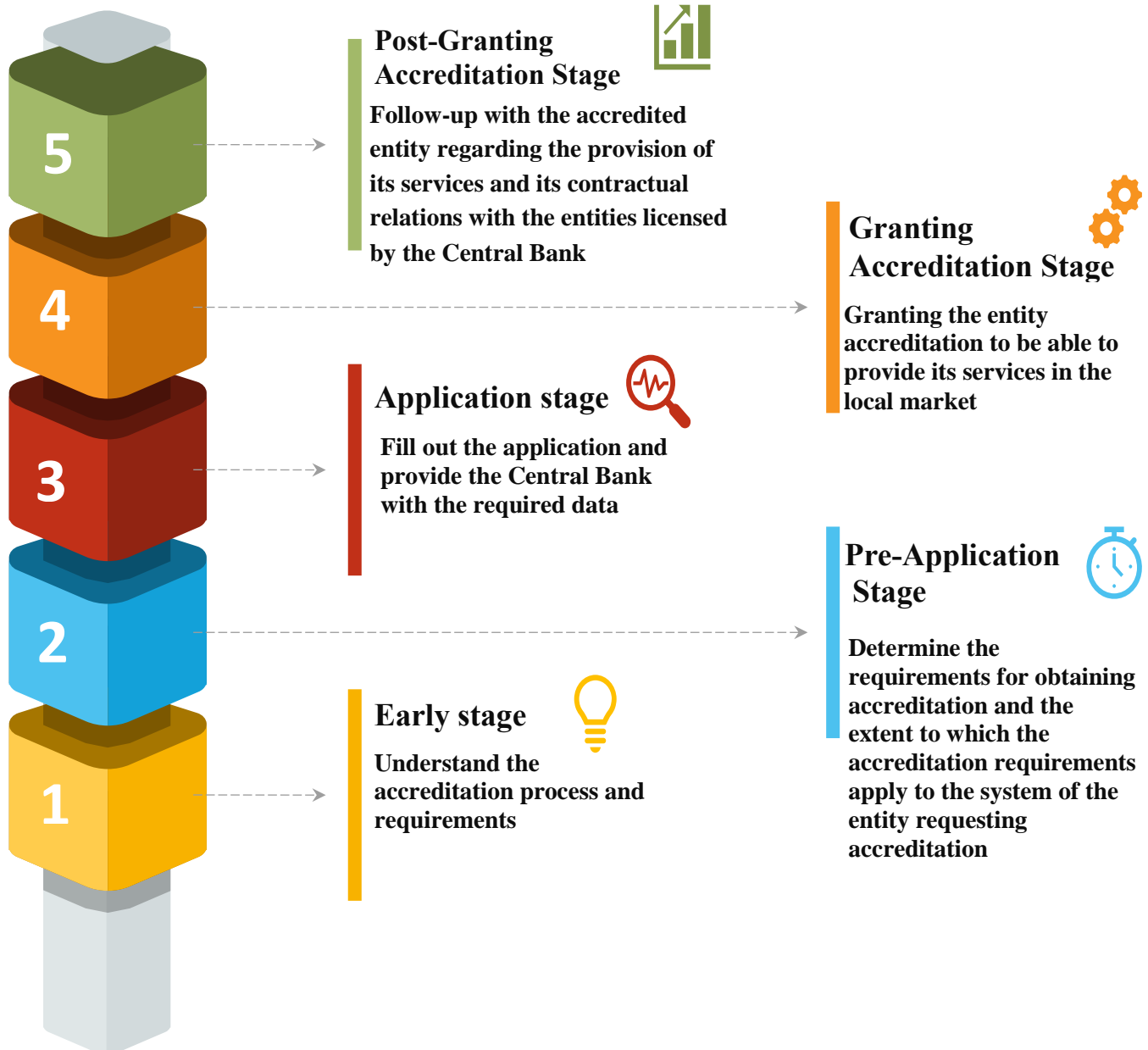
*Central Bank of Jordan*

**Oversight & Supervision on National Payment System Dept.**

*May 2020*

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## INTRODUCTION

Within Central Bank of Jordan efforts in regards of regulating the national payment system with its all components safely and efficiently as well as Strengthening electronic payment systems, tools and instruments, electronic payment and money transfer system as a whole in the Kingdom, Central Bank of Jordan has adopted several responsibilities to achieve this, including setting the legal and regulatory frameworks, and maintaining the required technical, technological and functional infrastructure, to facilitate and encourage the adoption and development of innovations and initiatives in the context of electronic payment and money transfer services.

As a complement to the Central Bank of Jordan efforts, this guide has been prepared to assist international entities intending to provide any of the electronic payment and money transfer services using their international electronic payment system in the Jordanian market, by establishing a business to business relationship with any of the payment service providers (banks, exchange companies, electronic payment and money transfer companies) and after obtaining the necessary accreditation by Central Bank of Jordan in accordance with the provisions of the electronic payment and money transfer bylaw No. (111) for the year 2017 issued pursuant to the provisions of the Electronic Transactions Law No. (15) for the year 2015 and related instructions issued pursuant to it, As this guide provides all information necessary to answer any queries related to the process of obtaining the necessary accreditation by Central Bank of Jordan and within several interrelated stages that start with the stage before submitting the accreditation application until the entity obtain the accreditation.

This guide consists of five sections; The first section "**The Early stage**" includes the necessary basics related to the accreditation process, as well as the definition of the international electronic payment system and the conditions required to be met by the requesting entity, while the second section "**The Pre-application Stage**" includes details



that entity needs to know if it decides to obtain the necessary accreditation from Central Bank of Jordan, also this section includes the details of the meetings and phone calls that can be held before applying, answering the entity's inquiries, and providing the necessary advice and guidance, after that comes the third section "**Application Stage**", which relates to the details of the application for obtaining accreditation from Central Bank of Jordan and the period which It takes Central Bank of Jordan to respond to this request and decide whether to grant the accreditation or reject the application.

As for the fourth section "**Granting Accreditation Stage**", after the completion of the study of the submitted application, the necessary decision will be issued regarding it by rejecting the application or granting accreditation, after that, the fifth section comes "**The Post-Accreditation Stage**", which will highlight the life of the accredited entity and its relationship With Central Bank of Jordan, payment services providers, or any of the other entities that practice electronic payment and money transfer activities pursuant to private laws.



### Disclaimer

- ✓ This guide is designed to help any entity intending to wants to provide payment services through its electronic payment systems, in terms of clarifying the steps that can be taken to obtain the accreditation, within stages that clarify the requirements and procedures to be followed.
- ✓ This guide is for guidance purposes only. It cannot be relied upon without referring to the electronic payment and money transfer bylaw No. (111) for the year 2017 and the instructions issued according to its provisions, In particular, instructions of accreditation of international electronic payment systems No. (3/2020), the requesting party can view the bylaw and instructions through the hyperlinks included in the name of the bylaw and any of these instructions wherever they appear in this guide.

## SECTION 1: *Early Stage*

Initially, we call upon any entity that wishes to provide its services in the Jordanian market through its electronic payment system and before formally applying to Central Bank of Jordan to obtain the accreditation, to read *“The Electronic Payment and Money Transfer Bylaw No. (111) for the year 2017”*, and the *instructions issued pursuant to it*, and in particular, *“Instructions of accreditation of international electronic payment systems No. (3/2020)”*, this step aims to establish a clear and simplified understanding of the activities of electronic payment and money transfer services subject to the oversight and supervision of Central Bank of Jordan (hereinafter CBJ), and here some questions may be raised by the entity intending to obtain accreditation, including:

### **International Electronic Payment System:**

A group of programs or tools used for payment, transfer, clearing or settlement of funds electronically and owned by the accreditation holder.

#### ➤ **What is Accreditation?**

The aforementioned instructions define accreditation as *“The permit issued by CBJ to the owner of the international electronic payment system permitting it to deal through its system with licensed payment service providers to offer electronic payment and money transfer”*. The same instructions set two conditions for any electronic payment system to be considered an international system:

1. To provide its services in one country or more other than the Hashemite Kingdom of Jordan.
2. Services must be provided for a period not less than three consecutive years before the date of submitting the request of accreditation.

#### ➤ **How can the accreditation holder provide its services?**

The accreditation holder is can deal exclusively with the licensed payment service providers, and for this guidance payment service provider means”



A bank, money exchange company or payment and electronic money transfer company that are licensed to perform any of the following (i) management and operation of electronic payment systems; or (ii) payment services' including the activity of electronic money transfer, or dealing with entities that practice electronic payment and money transfer services activities pursuant to private laws.

## SECTION 2: Pre-Application Stage

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### ➤ The purpose of this stage

Any entity intending to apply for accreditation to get the permission to deal through its electronic payment system with payment service providers can request for a meeting with representatives from CBJ, which brings many benefits for both entities, where the greatest benefit for the entity intend to apply for accreditation is to know the basic conditions that apply to the international electronic payment system and the requirements that the entity must meet to submit the accreditation application in the appropriate and required manner, and this meeting/ meetings are expected to help the entity to:

- ✓ Understand the accreditation process and what happens at the various stages, from applying for accreditation until obtaining the accreditation or rejecting the application for not meeting the conditions and requirements.
- ✓ Identify the minimum conditions for granting the necessary accreditation.
- ✓ Assist it to submit the application as complete as possible to enable CBJ to reach a decision regarding it within the period specified in the relevant legislation

### ➤ **Introductory meeting**

The importance of the introductory meeting stems from giving of the entity requesting for accreditation the opportunity to introduce itself to CBJ in terms of its existence, its electronic payment system, the scope of its services, the jurisdictions in which these services are provided, the features available in its system, and the added value on the Jordanian market if its system is accredited, at the same time this meeting allows CBJ to identify any deficiencies that need to be addressed before moving forward in the stage of submitting the accreditation application, and the requesting entity will have the opportunity to ask the questions that it has about the accreditation process from the beginning of the application until the accreditation decision is issued, whether by acceptance or rejection, as well as the structure of the regulatory relationship to provide services in the Jordanian market after obtaining accreditation, and it is not necessary to meet directly (face to face) in CBJ premise; it is possible to communicate through video call or conference call.

### ➤ **What does the entity requesting accreditation need to know and do?**

At the meeting, the entity requesting accreditation will be asked to prepare a high-level summary presents the information related to its electronic payment system, and as a minimum should contain the following:

1. An explanation of why the entity wants to get the accreditation and providing its services in the Hashemite Kingdom of Jordan.
2. Explain how the system of the entity requesting accreditation meets the accreditation requirements.
3. General information about the entity requesting accreditation includes the areas of spreading and the services provided.

### ➤ Request for a meeting

To request a meeting, the entity requesting accreditation can send an E-Mail to CBJ explains its desire to obtain accreditation to provide its services in the Jordanian market, and that it needs to hold a meeting regarding this.

In the E-Mail, It is recommended that the entity attach all available information, which will help the concerned persons at CBJ in preparing for the meeting and determining whether there is any necessary information or any requirements that they can request from the entity or provide it with for the purposes of meeting, in addition, to setting the date of the meeting at a mutually convenient time or maintain contact through E-Mail and video or audio communication at this stage.



***You can request***

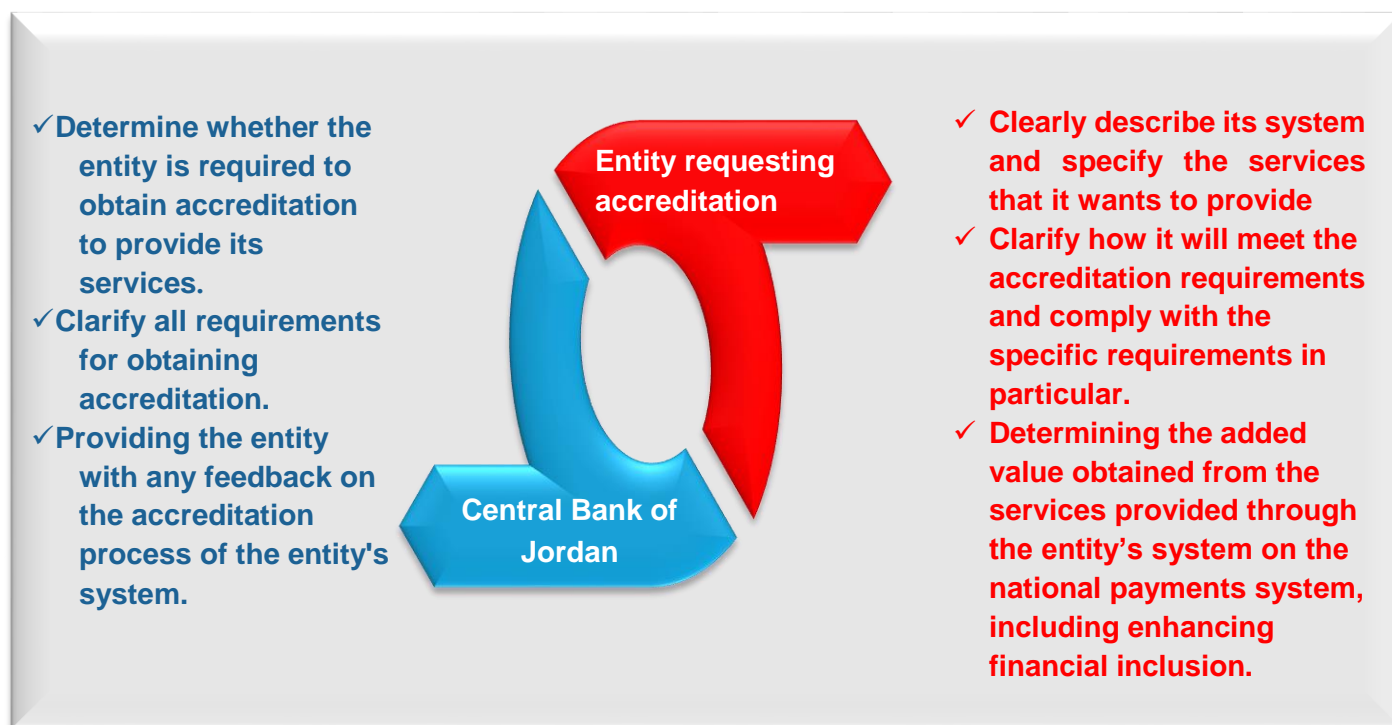
***a meeting by sending an E-Mail  
to the following email address:***

**[Licensing.oversight@cbj.gov.jo](mailto:Licensing.oversight@cbj.gov.jo)**

### ➤ What will happen at the meeting?

At the meeting, the entity requesting accreditation will meet staff from the Oversight and Supervision on the National Payments System Department at CBJ to discuss issues related to applying for accreditation, Here, the entity is required to clarify the operation model of its system holistically and clearly, and by the end of the meeting CBJ should have a clear picture of the reason for the entity's desire to provide its services, and full conviction of the added value of its accreditation, on the one hand, the entity must have a clear understanding about the terms and requirements for obtaining the necessary accreditation and the regulatory frameworks governing its work, as well as the subsequent steps in terms of requesting the accreditation formally and what comes after that, the figure below outlines what both entity and CBJ expected to do in the meeting





### SECTION 3: Application Stage

The arrival of the entity requesting accreditation to this stage indicates that it has developed reasonable knowledge about the regulatory requirements to be met by it; therefore, it can now apply for accreditation, and fill the form specified for this purpose published on the CBJ website to be studied properly.

For the entity interested in obtaining accreditation to formally apply for accreditation, It is necessary to start with submitting a written request to CBJ, to obtain CBJ's prior approval for the appointment of a legal representative or a regional representation office, If a regional representation office is appointed, the entity must specify a selected reporting location in the Hashemite Kingdom of Jordan, for notification and reporting purposes.

### ➤ **Submit the application of accreditation**

Before submitting an application for accreditation, the entity must revise it well and be sure to fill all necessary data, answering all the questions, and attaching all specific documents and those related to the related data, taking into consideration all the observations that were discussed in the meeting that was held during the pre-application stage.



It's also necessary for the entity to provide CBJ with any information it believes it is necessary CBJ be aware of, and

It's worth noting that providing false or incorrect information will affect the acceptance of the entity's application and it may be a reason for its rejection, and attach an undertaking from the person is duly authorized to sign for the company states that all the data and information contained in the application are complete, true and accurate and that no any material information has not been disclosed.

### ➤ **Submitting an application**

To apply for application, several steps must be followed:

1. Submit an application for accreditation according to the form for this purpose for CBJ after completing it, and submit it to licensing division- oversight and supervision on the national payment system department.
2. The licensing division makes sure that all data related to the application for accreditation is available and to determine any deficiency in the application.
3. If all information is complete, the application shall be submitted to the correspondence and documentation division at CBJ to be duly stamped.

### ➤ Accreditation application attachments

The representative of the entity requesting accreditation shall submit an accreditation application on the form intended for this purpose for CBJ, attached with all the documents listed below translated into Arabic by an accredited and certified translator duly:

1. A copy of the registration certificate which includes the name, place , and date of establishment or any other official documents for registration
2. a document from the legal representative / regional representation office proving the following:
  - a. Should be fully liable and responsible in front of CBJ and other official bodies.
  - b. Acting on behalf of accreditation owner to follow up all the work inside the Kingdom and to notify and be notified of all correspondence, notifications, and papers including complaints, in accordance with the provisions of the *“Instructions of accreditation of international electronic payment systems No. (3/2020)”*.

If a regional representative, office is appointed from the entity requesting accreditation as her representative in the Kingdom, the reporting location in the Hashemite Kingdom of Jordan will be responsible to notify and be notified all correspondence, notifications, and papers including complaints, providing a document in this regard.

3. A copy of the registration certificate for the legal representative\ regional representative office.
4. A list of the principal shareholders and the names and contact information for the board of directors and higher executive management or the like.
5. What proves that there is nothing to prevent providing its services inside the Kingdom through its system, or to provide prior written approval from the competent supervisory authority in the country of its head office indicating that not to object on providing of its services in countries where its legislation requires the need to obtain prior approval.

6. Evidence that the entity is subject to the supervision and oversight by the competent authorities in the country of its head office.
7. A certificate from the competent authority in the country of its head office or the external auditor, stating that no substantial issues are affecting its reputation and financial status or any other issues that CBJ deems it necessary.
8. A detailed description of the international electronic payment system in including the date of starting the operations in the country of its head office, in addition to the scope and the nature of business.
9. A detailed description of the services that will be provided through the international electronic payment system in the Kingdom, including the work and the settlement procedures.
10. A list of the names of payment service providers operating inside the Kingdom and participating in its international electronic payment system.
11. Any approvals or permits obtained from the relevant authorities in the Kingdom to provide their services within the Kingdom (if any).
12. The Procedures related to the arrangements of internal controls particularly complying with anti-money laundering and counter-terrorist financing and arms proliferation financing, also the measures to ensure the protection of its data and information, and to maintain its confidentiality and privacy, and to ensure continuity and reliability in providing its services within the Kingdom.
13. A written pledge to guarantee the entity is committed to all relevant legislation in the Kingdom which covers the conducting of its business including the *“Instructions of accreditation of international electronic payment systems No. (3/2020)”*, and any circulars issued by CBJ, and to guarantee that the entity will provide CBJ at any time with any information or data related to their business or activities and any issues may affect its financial safety and international reputation and any other issues CBJ deems

it necessary, and to guarantee that the entity will meet all its obligation for its clients in the kingdom.

**14.** Any other documents CBJ deems it necessary to provide the accreditation.

### ➤ **Studying application**

During the application study phase, the team responsible for the request does the following:

- 1.** After the entity applies for accreditation according to the procedures and requirements mentioned above, and If CBJ deems that the application to obtain accreditation provided by the entity is incomplete, the applicant shall have (60) days, as of the date of notification by CBJ, to complete the application; and where failing to do so, the application may be deemed canceled.
- 2.** Ensure that the entity requesting accreditation fulfills the conditions specified in article no (5) of *“Instructions of accreditation of international electronic payment systems No. (3/2020)”*.
- 3.** CBJ has the right to investigate the accuracy of the information provided by it, where afield visit can be made after coordination with the entity requesting accreditation to the location of the entity whether in head office or in any other countries where it provides its services to detect and check on how the system works, and to ensure that is ready to provide its services in the Hashemite Kingdom of Jordan.
- 4.** The study of the accreditation application will be submitted to the board of directors of the Central Bank to grant the accreditation duly to the applicant.
- 5.** CBJ shall notify the applicant within (90) days of the date of duly submitting the complete application of its decision of either approval or rejection.

## SECTION 4: Granting Accreditation Stage

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At this stage, the entity is expected to have accomplished the accreditation requirements specified in this document, and the accreditation shall be granted for an indefinite term, conditioned that it cannot be assigned to others, and here the entity should complete the following obligations and requirements:

1. Not to provide other services in the Kingdom related to electronic money transfer, excepting to the services specified by the accreditation letter issued by CBJ or to be approved later by CBJ.
2. Dealing exclusively with the payment service providers after proving that necessary approvals have been obtained from CBJ according to the regulating legislation, or any other parties from inside the Kingdom that provides electronic payment and money transfer pursuant to private laws.
3. Provide CBJ in the event of contracting or terminating contracts –with clarifying the reasons- made by accreditation owner with any of the payment service providers or any parties inside the Kingdom performing provides electronic payment and money transfer pursuant to private laws, and the accreditation holder is committed to provide CBJ with these cases within a period not exceeding (7) days from the date of its request.
4. Inform CBJ of any cases related to the cancellation or temporary stopping of the contracting with any payment service providers or any other parties from inside the Kingdom that provides electronic payment and money transfer pursuant to private laws, for reasons related to a lack of compliance requirements, or procedures of anti-money laundering and counter terrorist financing, or arms proliferation. And the accreditation holder is obligated to inform CBJ of these cases within a period of time not exceeding (3) days from the date of the incident.
5. To set rules, procedures, and policies to tackle complaints and dispute resolution that include, how to inform payment service providers of its results and resolve disputes, and receiving executed transactions including the paid amount in case of proven



objection, the response to it should be according to the time specified in the accreditation holder rules and procedures. The accreditation holder shall also be obliged to provide CBJ with any information or data related to the matter in particular if it is requested and within a period of time not exceeding (7) days from the date of its request, and all of this shall be followed up by the legal representative of the accreditation holder.

6. To set standards, requirements, and fair and clear procedures to the participation of the payment service providers in the international electronic payment system.
7. Take all measures to maintain the continuity of the international electronic payment system and recover from disasters in a manner that ensures safety, security, reliability, and availability of the services provided and restore the ability to work after disasters.
8. Not stop providing services inside the Kingdom for any reason unless a prior written approval is obtained from CBJ, excluded from this any urgent cases, not within the control of the accreditation owner, a condition that the accreditation owner is committed to present a specific plan to CBJ that includes specific procedures and steps to stop gradually; to avoid any harm to payment service providers as possible.
9. To have adequate procedures and controls to protect the international electronic payment system and its participants from payment service providers from risks, including risks of penetration, fraud, hacking, data theft or any other illegal operations, specifically money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction, and to request from the payment service providers to provide the best security requirements and apply internationally accepted procedures and recommendations in the payments industry or electronic money transfers to avoid such risks.
10. To have the necessary arrangements to organize the working hours of the international electronic payment system, clearing and settlements with payment service providers, including providing procedures, mechanisms, and controls for managing financial

collateral (if any) so that, these procedures, mechanisms and controls are appropriately designed with high flexibility to deal with these collaterals continuously.

- 11.** To have the necessary procedures to maintain the confidentiality and privacy of the data and not disclose it to others directly or indirectly and to continue to do so after the cancellation of the accreditation and per the arrangements determined by CBJ in case the accreditation is canceled.
- 12.** Inform CBJ of any risks, including cases of breaches, frauds, data theft or illegal operations, risks of money laundering, terrorist financing, or the proliferation of weapons of mass destruction that the international electronic payment system or any participating payment service provider may be exposed to as soon as possible. In all cases, the period of notifying CBJ of such risks must not exceed (3) days from the date of their discovery.
- 13.** Comply with any technical or operational requirements or standards, including working times, clearing, and settlement arrangements imposed by CBJ if deems it appropriate.
- 14.** Provide CBJ with any information, data or reports requested, within the limits of the scope of services provided by the accreditation holder inside the Kingdom.
- 15.** Provide CBJ, upon request, with any data or information (if any) related to third parties that are contracted by payment service providers participating in the international electronic payment system, to handle payment transactions on behalf of payment service providers, such information or data shall be provided with a maximum of (7) days from the date of its request.
- 16.** Comply with all in force regulations related of Anti-money Laundering and Counter-Terrorist Financing for Electronic Payment and Money Transfer companies, issued by CBJ. And to the extent that it applies to it, and to comply with stricter in case of difference between of its home country from the requirements contained in those instructions. Also, the accreditation holder is obliged to notify CBJ of any prohibitions or restrictions, which may affect or prevent the accreditation holder's ability to apply.

## SECTION5: Post-Granting Accreditation Stage

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This stage talks about the structure of the organizational relationship to provide services in the Jordanian market after obtaining accreditation, where after the entity obtains accreditation, an organizational and participative relationship between the Central Bank of Jordan and the entity arises, and in this relationship both exert their duties and responsibilities towards maintaining the national payment system and from this duties and responsibilities we mention:

1. The Central Bank shall appropriately follow up the activities of the accredited entity, including its contractual relationships with licensed payment service providers, the Central Bank may at any time reject the contract made between the accreditation holder and any payment service provider.
2. The entity requesting accreditation is obligated to meet any conditions set by the Central Bank regarding the commissions, especially regarding the clearness of these commissions to the customer and should not contradict with the maximum limits set by the Central Bank.
3. The entity requesting accreditation is not permitted to impose a mandatory application of any services, products, or technologies related to the international electronic payment system unless prior written approval is obtained from the Central Bank.
4. The accreditation holder is also followed up regarding (exclusivity of dealing), where the instructions that regulate works of international entities proceeding to obtain accreditation from the Central Bank are prohibited payment service providers from limiting dealing with accreditation holders only.
5. The entity should consider the cases in which the Central Bank of Jordan has the right to cancel the accreditation specified in article (9) of the *“Instructions of accreditation of international electronic payment systems No. (3/2020)”*.

## Accreditation Life cycle

