



**No: 10/2/12226**

**Date: 8 Muharram 1443 Hijri**

**Corresponding to: 17 August 2021**

### **Instructions on Effective Interest Ownership**

#### **No. (8/2021)**

In light of the issuance of the amended law no. (7) of 2017 of Banking Law No. (28) of 2000 and amendments thereto, which includes amendments to the provisions of Article (34) of Banking Law, these instructions were issued. For the purposes of implementing the instructions hereunder, coordination will be made with Jordanian banks to provide the Central Bank with the current groups who own an effective interest in their capital and to whom these instructions apply, so that to be examined properly.

## **Instructions on Effective Interest Ownership**

### **Issued in Implementation of Article (34) of Banking Law No. (28) of 2000 and Amendments thereto, and Pursuant to Article (99/b) of the Same Law**

First. For the purposes of these instructions:

1. The terms “Effective Interest”, “Connected Persons”, “Control” and “Person” shall have the meanings assigned thereto in Banking Law No. (28) of 2000 and its amendments.
2. Ultimate beneficiary means the natural person who owns or controls shares in the capital of any Jordanian bank, whether directly or indirectly, regardless of the ownership percentage.

Second. Each person, whether individually or a group of connected persons or those linked with a kinship up to the third degree, who intends to own an effective interest or increase the effective interest ownership in the capital of any Jordanian bank shall apply to the Central Bank to obtain a prior written consent thereof, and they will be obligated to duly fill out the form attached hereunder and submit all supporting documents along with the form of acknowledgment of the ultimate beneficiary enclosed with Circular No. (10/1/929) dated 14/1/2021.

Third. The prior consent of the Central Bank shall be obtained when making any change or transfer to the ownership structure of the effective interest owner in banks’ capital in the event that this change or transfer leads to a change of the ultimate beneficiary of the effective interest. The consent granted by the Central Bank to the effective interest owner in the bank, and to whom the change or transfer of structure was made shall be revoked *ipso facto* and the provisions of Paragraph (d) of Article (34) of the Banking Law shall apply.

Fourth. In cases which lead to a person’s ownership of an effective interest in the bank’s capital or an increase in that interest’s percentage as a result of:

1. Transfer of the bank’s capital shares or stocks held by the effective interest owner to the heirs by way of inheritance.
2. Transfer of the bank’s capital shares or stocks held by the effective interest owner in enforcing lien on pledge bonds or seizures.
3. Transfer of the bank’s shares between persons within the same group holding an effective interest.
4. Any amendment or change to the ultimate beneficiary of any of the persons within the same group holding an effective interest.

The person in favor of whom the change is to be made shall complete the forms stipulated in Paragraph ( Second ) hereunder and submit all supporting documents before making the transfer,

change or amendment. Should the Central Bank's consent not be obtained, the procedures stipulated in Clauses (1) and (2) of Article (34/ d) of Banking Law will apply.

Fifth. Any consent issued by the Central Bank to own or increase the effective interest shall be considered valid for a period of one year from the date of its issuance as long as all the considerations under which the consent was issued remain in place. In the event of a failure to own the entire approved percentage of the effective interest within a year, the consent on the remainder percentage - which was not owned – will be considered null.

Sixth. The bank shall be obligated to inform the Central Bank of the pledged or seized shares held by the effective interest owner (s), as well as when any change occurs to such shares, provided that it indicates the number and percentage of those shares, the lien beneficiary, and the reasons and date of the pledge or seizure.

Seventh. These instructions shall come into force as of date, and the Instructions on Effective Interest Ownership No. (49/2010) dated 2 May 2010, Circular No. (10/2/3/3/11755) dated 29 November 2007, Circular No. (10/2/8601) dated 19 July 2011, and Circular No. (10/2/15631) dated 30 December 2014 will be cancelled.

Attached: "Effective Interest" Ownership Form

**Effective Interest Ownership Form Submitted to the Central Bank of Jordan in  
Implementation of Article (34) of Banking Law No. (28) of 2000 and Amendments thereto  
and Pursuant to Article (99/b) of the Said Law**

**First: Information about the ownership applicant should it be a natural person:**

<b>Full name</b>	
<b>Nationality</b>	
<b>Sex</b>	
<b>Phone number</b>	
<b>Fax number</b>	
<b>Postal address</b>	
<b>Email</b>	
<b>Type of identification document</b>	
<b>Number of identification document</b>	
<b>Place and date of issuance</b>	
<b>Place and date of birth</b>	
<b>National number (for Jordanians)</b>	
<b>Ultimate beneficiary</b>	

**Second: Information about the ownership applicant should it be a legal person<sup>1</sup>:**

<b>Name (according to the registration certificate issued by the competent entity)</b>	
<b>Nationality</b>	
<b>Registration number</b>	



		<b>connected company</b>	<b>industry/ financial sector/services/ agriculture/ others: please specify)</b>	<b>shareholding company, limited liability company, general partnership, individual institution, public institution) or a natural person</b>		<b>connected person</b>	
<b>1</b>							
<b>2</b>							
<b>3</b>							
<b>4</b>							
<b>5</b>							

\* Registration certificate of the connected legal person should be attached.

**Fifth: Shares and stocks owned, directly or indirectly, by the ownership applicant and connected persons, in all banks and their subsidiaries or in the companies controlled by these bank or their subsidiaries:**

<b>No.</b>	<b>Name of the bank/ its subsidiary/ the company that the bank controls/ the company controlled by the bank's subsidiary</b>	<b>Ownership percentage</b>
<b>1</b>		
<b>2</b>		
<b>3</b>		
<b>4</b>		
<b>5</b>		

**Sixth: The companies controlled by the ownership applicant or its connected persons:**

<b>Name of company</b>	<b>Company's capital</b>	<b>Name of company's partners</b>	<b>Percentage of partner ownership</b>

**Seventh: Sources of financing the targeted investment**

No.	Type of source (loans*, personal funds, others)	Amount
1		
2		
3		
4		
5		

\*If the source of financing is through borrowing, related details thereof should be indicated.

- A written statement by an authority (s) accepted by the Central Bank shall be attached indicating the financial solvency of the ownership applicant, and its capacity to own through its sources of funds.
- A written acknowledgement of the ultimate beneficiary requesting the ownership shall be attached indicating that no final sentences declaring bankruptcy/insolvency have been issued in the Hashemite Kingdom of Jordan or abroad, and that they have not been convicted of a crime of breach of trust or any crime related to money laundering and terrorist financing operations.

**Eighth: Facilities granted to the ownership applicant and its connected persons by banks and other financial companies (including the bank to be invested in) inside and outside the Kingdom**

No.	Name of bank or financial company	Type of facilities (overdraft account, personal loans, real estate loans, loans for financing shares, guarantees, letters of credit, others: please specify)	Amount of facilities	Purpose of facilities	Collaterals submitted	
					Type of collateral	Amount
1						
2						
3						
4						
5						

**Ninth: Facilities guaranteed by the ownership applicant and its connected persons with banks and other financial companies (including the bank to be invested in) inside and outside the Kingdom**

No.	Name of bank or financial company	Type of facilities (overdraft account, personal loans, real estate loans, loans for financing	Amount of facilities	Name of guaranteed

		shares, guarantees, letters of credit, others: please specify)		
1				
2				
3				
4				
5				

**Tenth: List of names of persons who own shares in the bank, and with whom the ownership applicant has a kinship up to the third degree:**

No.	Name of person with a kinship	Type and degree of kinship	Number of owned shares	Address	Position held in the bank or any of its subsidiaries
1					
2					
3					
4					

**Eleventh: Any other shares at the bank to be invested in, granting the ownership applicant the right to vote (full details should be provided)**

**Twelfth: Any additional information, data or documents deemed necessary by the Central Bank to complete examination of the ownership application.**

I, the undersigned, certify that the information on this form (including all attached documents) is complete, accurate and true, and I bear any consequences due to inaccuracy of any of them.

**Applicant Name**

**Applicant Signature**

**Date**