

No. 10/2/3/3/16982

Date: 15/10/2000

Instructions of the Acquisitions of Real Estates
Circular No. (2/2000)
Issued by the Central Bank of Jordan
Pursuant to the provisions of the article (99/B) of the Banking Law

Pursuant to the provisions of the article (48) of the Banking Law No. (28) of the year 2000, I have decided the following:

First: Without applying to the Central Bank, the banks are allowed the acquisition of real estate that they require to conduct their business or to house their employees, as long as after the acquisition of the real estate, the Central Bank is provided with the following information on a monthly basis for supervisory purposes:

- Justifications for the need of the real estate.
- Location
- Description
- The purchase value (original cost) and the payment method
- The name of the landlord and his/her relationship with the bank, if any.
- The usage of the real estate (establishing a new branch, expanding an existing branch,).

Second: the banks are not allowed to lease any real estate they acquire – according to the first item above- or any part of it, unless they have a pre written approval from the Central Bank. The request for approval should include the following information:

- the location of the real estate
- the part to be leased
- the proposed tenant and its relationship with the bank if any
- the rent value
- the purposes of leasing
- any other related information

Third: Without applying to the Central Bank the banks are allowed the acquisition –of any real estate as a repayment of debt. In this case the acquisition period should not exceed two years as of the date of the purchase.

- Fourth: The banks are allowed to apply to the Central Bank to prolong the period of acquisition stated in the third point above -for a maximum of an additional two years - according to causes and purposes highlighted in the application.
- Fifth: On a monthly basis, the banks should provide the Central Bank with a list, supplementary to the financial statements, including the acquired real estates as a repayment of debts according to the attached form.
- Sixth: The previous instructions related to what is stated above shall be repealed, including our circulars No. (2077/7020) dated January 21, 1991 and No. (29079/7020) dated November 25, 1993.

Governor

Dr. Umayya Toukan

- Encls./ (1)