

**No.: 10/1/929**

**Date: 1/6/1442 Hijri**

**Corresponding to: 14/1/2021**

### **Circular to all operating Jordanian banks**

**After Greetings,**

In continuation of the Central Bank's approach of following up and reviewing the instructions issued by it and making any amendments thereto in line with the best international practices. In addition to the Central Bank's role in enhancing disclosure and transparency requirements for Jordanian banks, and in line with the recommendations of the Financial Action Task Force (FATF) about the international standards for combating money laundering and terrorist financing and arms proliferation, and the requirements of the provisions of article (22/e/9) of the Amended Instructions of Corporate Governance for Banks no. (63/2016) dated 1/9/2016, and the requirements of the provisions of article (25/f/10) of the Amended Instructions of Corporate Governance for Islamic Banks no. (64/2016) dated 25/9/2016, which included that one of the responsibilities of the Board of Directors within the disclosure and transparency requirements is to ensure that the bank's annual report includes the names of shareholders who own (1%) of the bank's capital, specifying the Ultimate Beneficial Owner of these contributions or part of them and clarifying whether the contribution is wholly or partly pledged. For the purposes of ensuring that the data relating to these beneficiaries is constantly updated and appropriate, I decide the following:

1. For the purposes of applying the provisions of this circular, the ultimate beneficiary is defined as the natural person who directly or indirectly owns or controls (1%) or more of the bank's capital.
2. It is the responsibility of the bank's board of directors to ensure that the necessary procedures are put in place to ensure the adequate, accurate and up-to-date information about the ultimate beneficiary of contributions in the bank's capital. With the need to provide all means of verifying the validity of documents related to the data and information of the ultimate beneficiary of those contributions, through reliable and independent sourcing.
3. As of the date of issuing this circular, the bank must create a special record for the purposes of meeting the requirements of the provisions of this circular. So that the bank keeps the details of the data of each ultimate beneficiary as indicated in this circular, and this record must be updated with any changes that occur to the ultimate beneficiary of contributions, whether directly or indirectly, within (10) working days from the date on which the bank became aware of it. With the need

to inform the Central Bank of the details of that change during the above period. The record of the ultimate beneficiary's data will continue to be kept since the date of acquiring the status of the ultimate beneficiary and up to (5) years from the date of no longer having the status of the ultimate beneficiary for that person.

4. The record of the data and information of the ultimate beneficiary must include the data mentioned below - as a minimum - attached with all documents, and paper data or that are obtained from electronic databases, so that they are issued by reliable and independent entities and in a way that confirms the validity of those data and information that were used to verify the identity of the ultimate beneficiaries or for the purposes of reaching the ultimate beneficiaries, such as (registration certificates, association registration certificate, Civil Status Department data...etc):
  - a. The number of shares owned by the ultimate beneficiary and their percentage to the bank's capital, and clarification of the categories of those shares (the nature of the voting rights associated with them), as well as whether the shares are partly or fully pledged, with a statement of the entity in whose favor the pledged shares and the reasons for the pledge.
  - b. The determinants and criteria by which a person has acquired the status of the ultimate beneficiary from the contribution in the bank's capital, and what enhances the bank's adoption of the methodology specified in this circular to reach the ultimate beneficiary in a manner that enables any party who reads the records to be able to understand the reason for reaching this decision.
  - c. The date on which the natural person acquires the ultimate beneficiary status and the date on which that status ceases.
  - d. The full four-syllable name of the ultimate beneficiary, his/ her nationality, date and place of birth and place of residence.
  - e. The national number and the valid ID card number in case the ultimate beneficiary is Jordanian
  - f. Valid passport number, country and date of issue, and expiration date for non-Jordanians.
  - g. All means of communication for the ultimate beneficiary, including the phone number and e-mail.
  - h. Social status.
  - i. Names of children, mother, father, husband/wife.
  - j. The tax residence country of the ultimate beneficiary with details of the tax identification numbers issued by those countries.
  - k. Evidence that the bank has searched the available databases to verify that the ultimate beneficiary is not included in the international ban lists related to

money laundering, terrorist financing and arms proliferation or the lists of local terrorists and any other negative information.

- l. Evidence that the bank updates the ultimate beneficiary's information periodically and continuously, whether when developments occur or upon periodic review.
  - m. The form of acknowledgment of the ultimate beneficiary of the contribution to the bank's capital shown in annex no. (1) of this circular filled out by the ultimate beneficiary and duly signed.
5. For the purposes of applying the requirements of this circular and for the purposes of identifying the ultimate beneficiary, the following methodology shall be followed in sequence:
- a. If the direct shareholder in the bank is a legal person or any legal arrangement, then the ultimate beneficiary of that contribution is tracked by tracking the natural persons who benefit from contributions to those legal persons, and this is done regardless of the number of legal persons or legal arrangements, and in a manner that leads to the ownership of the natural person indirectly to (1%) of the bank's capital, as shown in the Figure in annex no. (2).
  - b. In the event that it is not possible to identify the natural person, who is the ultimate beneficiary of the contribution, according to what is stated in clause (a) above, the bank must conduct the necessary verification of the extent to which another person (not the owner of the contribution in the bank) has control over the natural or legal person who owns the bank's shares through examining a number of factors that may indicate the presence of control, for example (the ability to make decisions, the ability to influence decisions indirectly through family relationships or close relationships with the person who owns the bank's shares, or through any contract, arrangement or participation in financing projects, or through a public agency or obtaining an authorization by attending the general assembly meetings, being alert to the persons who pay the debts and obligations of the legal person if they are not owners, and being alert to persons to whom the legal person's revenues or profits are transferred).
  - c. In the event that it is not possible to identify the natural person, who is the ultimate beneficiary of the contribution, according to what is stated in clauses (a) and (b) above. The bank must conduct the necessary verification by studying the nature of the management of the legal person and obtaining accurate information about any person who has the authority to make an effective strategic decision such as a general manager or the board of

- directors, or any person who has executive control over the regular day-to-day affairs of a legal person.
6. With an emphasis on the need to follow the methodology described in clause (5) above, regardless of the nationality of the natural or legal person or the legal arrangement that contributes to the bank, whether Jordanian or foreign.
  7. Contributions in banks owned by the following entities are excluded from the requirements of the provisions of this circular:
    - a. Legal persons contributing to banks owned by (40%) or more of the Jordanian government.
    - b. Social Security Corporation.
    - c. Any other local public institutions.
    - d. Governments of countries contributing to Jordanian banks or any official entities in those countries.
    - e. Banks and financial institutions whose shares are listed in one of the financial markets and which are governed by disclosure requirements that guarantee a sufficient degree of transparency about the ultimate beneficiary of those banks and financial institutions, provided that the bank maintains documents and evidence that confirm this.
  8. For the purposes of meeting the requirements of the provisions of article (22/e/9) of the Amended Instructions of Corporate Governance for Banks no. (63/2016) dated 1/9/2016 and the requirements of article (25/f/10) of the Amended Instructions of Corporate Governance for Islamic Banks no. (64/2016) dated 9/25/2016, the data of the ultimate beneficiary must be disclosed in the annual report, as indicated in annex no. (3) of this circular, taking into account the following:
    - a. If the status of the ultimate beneficiary applies to a natural person who contributes directly or indirectly in the bank's capital, the word (Himself) shall be included in the ultimate beneficiary field.
    - b. In the event that the shareholder in the bank's capital, directly or indirectly, is one of the excluded cases according to the provisions of clause (7/a, b, c, d) above, the word "Himself" shall be included in the ultimate beneficiary field with an appropriate description of the shareholder including - if any - the law under which the public/official entity was established, if it is one of the public and official Jordanian institutions.
    - c. In the event that the shareholder in the bank's capital, directly or indirectly, is one of the excluded cases according to the provisions of clause (7/e), then the name of the ultimate beneficiary of this bank and/ or institution shall be included as disclosed in the financial market in which the shares of the bank or financial institution are listed.

- d. If the status of the ultimate beneficiary applies to the natural person according to the methodology mentioned in clause (5) of this circular, the name of the natural person and the criteria by which he/ she acquired the status of the ultimate beneficiary shall be included.
9. It is necessary to review the existing records kept by the bank regarding the ultimate beneficiary's data and to ensure that they fulfill all the requirements of the provisions of this circular within two months from the date of this circular, and to inform the Central Bank in the event that the bank is unable to meet any of these provisions.
10. In case that the bank violates any of the requirements of these instructions, it will be subject to one or more penalties and procedures stipulated under the Banking Law no. (28) of 2000 and its amendments.
11. Circular No. (10/1/13751) dated 21/10/2018 shall be cancelled.

**Respectfully,**

**Governor  
Dr. Ziad Fariz**

## Annex No. (1)

This form is to be filled out by the ultimate beneficiary (the natural person)

### 1. Personal data:

1.1 Full name in Arabic:

First Name	Middle Name	Grandfather Name	Surname

1.2 Full name in English as per passport:

First Name	Middle Name	Grandfather Name	Surname

1.3 Gender:

Male  Female

1.4 Date of Birth:

Day	Month	Year

1.5 Place of birth:

1.6 Nationality:

1.7 Other nationalities:

1.8 Jordanian ID:

ID number	Document number	Place of issue	Expiry date

1.9 Passport:

Passport number	Place of issue	Issue date	Expiry date

1.10 Social status:

Married  Single  Divorced  Widower

1.11 Wife's name according to the identity document:


1.12 Names of the children according to the identity document:


1.13 Father's name according to the identity document:

1.14 Mother's name according to the identity document:

## 2. Residence information in the Hashemite Kingdom of Jordan:

### 2.1 Residence:

Resident       Non-resident

### 2.2 Permanent residence address:

Address (1)	
Address (2)	
The country	
City	
Region/State	
Postal code	
Phone number	
Mobile number	
Fax Number	
E-mail	

## 3. Qualifications:

### 3.1 The following table is to be filled according to the educational qualifications of the ultimate beneficiary:

Qualification/area	Name of the University/College/School	City/Country	Year of Graduation

## 4. Practical experiences:

### 4.1 Information about the current employer:

Employer name	
Employer's address	
Employer's phone	
Job Title	
Length of service	
Employer's website	

### 4.2 The ultimate beneficiary's employment history:

	1	2	3
Employer name			
Nature of work			
Job title and details of duties and responsibilities			
Length of service	From (month/ year) Even (month / year)	From (month / year) Even (month / year)	From (month/ year) Even (month / year)
Reason for Leaving			

## 5. Politicians:

### 5.1 Politicians:

5.1.1 Does the ultimate beneficiary or one of his/ her first - degree relatives or business partners work or have previously worked in a high public position in the Kingdom, such as a head of government, a judge, a military or a high-ranking government position, a prominent politician, a prominent figure in a political party or senior executives in state-owned companies?

Yes       No

If the answer is yes, mention the person and the job details:

Does the ultimate beneficiary or one of his/ her first-degree relatives or business partners hold or have previously held a senior public position in a foreign country such as a head of state or government, a judge, a military or a high-ranking government position, a prominent politician or a prominent figure in a political party or senior executives in companies owned by a foreign state?

Yes       No

If the answer is yes, mention the person and the job details:

5.1.2 Does the ultimate beneficiary or one of his/ her first- degree relatives or business partners hold or have previously held a prominent position in an international organization?

Yes       No

If the answer is yes, mention the person and the job details:

## 6. Financial position:

6.1 Approximate total annual income of the beneficiary (in Jordanian dinars):

- 10,000 – 50,000
- 15,001 – 100,000
- 100,001 – 500,000
- 500,001 – 1,000,000
- More than 1,000,000

6.2 Approximate net worth of the ultimate beneficiary (in Jordanian dinars):

- 10,000 – 50,000
- 15,001 – 100,000
- 100,001 – 500,000
- 500,001 – 1,000,000
- More than 1,000,000

6.3 The ultimate beneficiary's source of wealth:

6.4 Source of financing for the purchase of shares in the bank (directly or indirectly):

6.5 Does the ultimate beneficiary have a kinship relationship up to the third degree among the ultimate beneficiaries in the bank (directly or indirectly)?

6.6 How the ultimate beneficiary contributes to the bank?

- Direct investment.
- Indirect investment through:

- Custodianship of:

- Guardianship of:

- Agency for:



**7. Criminal record:**

- 7.1 Is the ultimate beneficiary currently a party to any civil case?  
 Yes       No
- 7.2 Are there currently any sentences or orders issued against the ultimate beneficiary by the court and he did not comply with them?  
 Yes       No
- 7.3 Has the ultimate beneficiary declared bankruptcy or applied for bankruptcy?  
 Yes       No
- 7.4 Has a person ever managed the business of the ultimate beneficiary, with or without his/ her consent?  
 Yes       No

Give details if the answer is yes to questions 7.1 to 7.4:

- 7.5 Has the ultimate beneficiary (or any company or entity in which he/ she is or was a partner, major shareholder, CEO or managing officer):
  - 7.5.1 Prohibited from practicing any trade or profession that requires a license, registration or approval under the laws and regulations in force in the Kingdom or any foreign country?  
 Yes       No
  - 7.5.2 Subject to disciplinary action or has been proven indiscipline or incompetent by a professional or regulatory body in relation to any trading or profession he/ she practices?  
 Yes       No
  - 7.5.3 Has he/ she (or his/ her company or organization) been subjected to a business-related investigation by a criminal investigation or regulatory body?  
 Yes       No
  - 7.5.4 A court sentences was issued convicting him/ her of cheating, fraud, breach of honor and honesty, or committing a prohibited act?  
 Yes       No
  - 7.5.5 Subject to any criminal or judicial procedures that are currently in place?  
 Yes       No

- 7.6 Has any government agency inside or outside the Hashemite Kingdom of Jordan done any of the following during the past ten years:
  - 7.6.1 Discovered that the ultimate beneficiary, directly or indirectly, provided false statements or omitted to provide any data?  
 Yes       No  
If yes, please provide details:

- 7.6.2 Discovered that the ultimate beneficiary, directly or indirectly, is involved in violating the government agency rules or regulations?  
 Yes       No  
If yes, please provide details:

- 7.6.3 Discovered that the ultimate beneficiary, directly or indirectly, was the reason for refusing, suspending, canceling or imposing restrictions on his/ her license to practice any business related to financial activities?  
 Yes       No  
If yes, please provide details:

7.6.4 Issued any judgment or decision against the ultimate beneficiary directly or indirectly regarding the financial activities?

Yes       No

If yes, please provide details:

7.6.5 Imposing a financial penalty or fine on the ultimate beneficiary regarding the financial activities?

Yes       No

If yes, please provide details:

7.6.6 Issued a judgment against the ultimate beneficiary to stop any activity?

Yes       No

If yes, please provide details:

**8. Acknowledgment of the ultimate beneficiary:**

I, the undersigned, certify that the information on this form (including all attached documents) is complete, accurate and true.

I also acknowledge that I am the ultimate beneficiary of the investments in..... by investing in ..... Bank, on my personal responsibility.

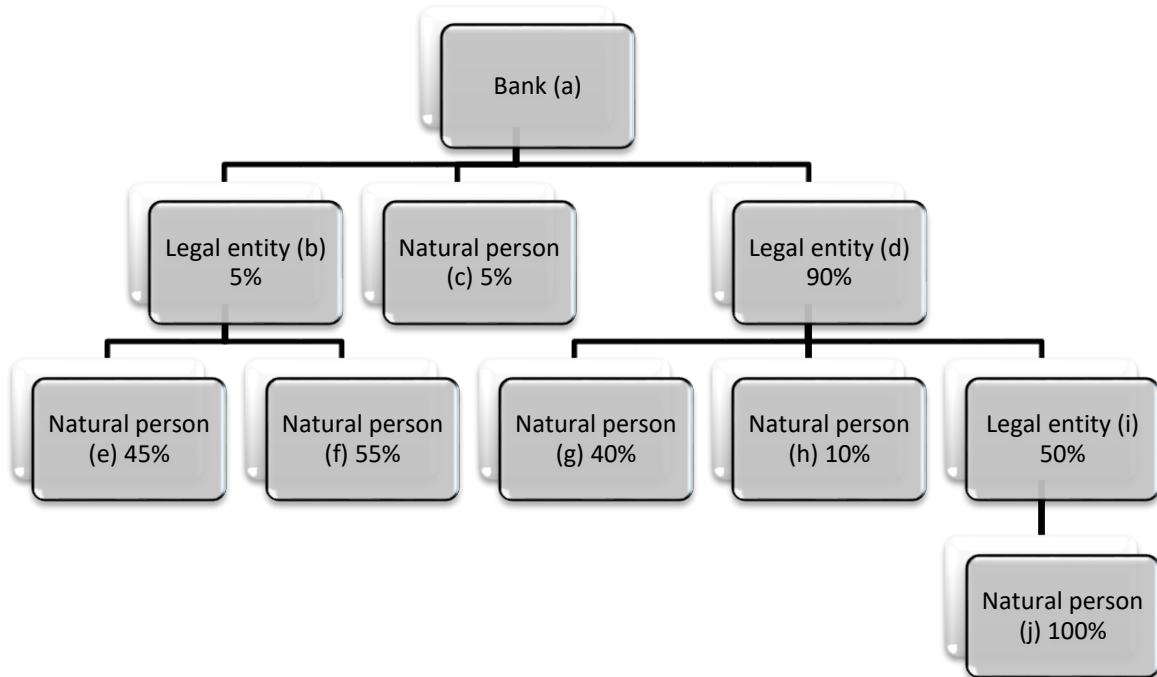
I also undertake to inform the ..... Bank in writing without delay in the event of any change in the information or data submitted under this form.

**Ultimate Beneficiary Name:**

**Signature of the ultimate beneficiary:**

**Date:**

## Annex No. (2)



Ultimate beneficiary	Ownership percentage		
Natural Person (e)	2.25%	Through the legal person (b)	45% * 5%
Natural Person (f)	2.75%	Through the legal person (b)	55% * 5%
Natural Person (c)	5%	direct contribution	5%
Natural Person (g)	36%	Through the legal person (d)	40% * 90%
Natural Person (h)	9%	Through the legal person (d)	10% * 90%
Natural Person (j)	45%	Through the legal person (d)	100% * 50% * 90%

### Annex No. (3)

<b>Major shareholders whose shareholding is equal to or greater than (1%)</b>							
Shareholder's name	Nationality	The number of owned shares	Contribution in the bank's capital	Ultimate beneficiary	Number of pledged shares	Percentage of pledged shares of the total shareholding	Lien entity