

Instructions on Direct
Credit Facilities in foreign
Currencies Granted to the
Exportation and Re-
exportation Sectors no
(53/2011)

Reference No. 10/2/1799
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**Instructions on Direct Credit Facilities in foreign Currencies Granted to the
Exportation and Re-exportation Sectors
no (53/2011)**

Pursuant to the provisions of Article (44/A) of the Central Bank of Jordan Law No 23 of 1971 and its amendments, and Article (99/B) of Banking Law no (28) of 2000 and its amendments, I hereby decide the following:

First: Banks are permitted to grant direct credit facilities in foreign currencies for **the sole purpose of exportation**, provided that the following stipulations are met:

- 1- Granting of such facilities must be limited to exportation economic activities that aim at exporting commodities and services (including the services of tourism, hotels and transportation) in line with sound loan-related banking rules and practices.
- 2- Payment must be in the same currency with which the credit facilities were granted.
- 3- The exportation activity should generate cash inflows into the kingdom in foreign currencies in a manner that exceeds the payments of installments and interests (or returns for Islamic banks) of the credit facilities granted in foreign currencies. The bank shall provide evidence that the source of the cash inflows is external.
- 4- A certificate of origin for the exported commodities issued by specialized authorities in line with related legislations must be made available.

Second: Banks are permitted to grant direct credit facilities in foreign currencies for the sole purpose of re-exporting commodities **crossing through the country**, provided that the following stipulations are met:

- 1- The amount of granted credit facilities must not exceed the value of re-exported commodities.
- 2- Payment must be in the same currency with which the credit facilities were granted.
- 3- The re-exportation activity must generate cash inflows into the kingdom in foreign currencies in a manner that exceeds the payments of installments and interests (or returns for Islamic banks) of the credit facilities granted in foreign currencies. The bank shall provide evidence that the source of the cash inflows is external.

Third: Credit facilities referenced in Articles (First) and (Second) above shall not be employed in financing structures and/or fixed assets, with the exception of financing the exportation of machinery and/or equipment and/or tools which are exclusively related to the purposes of exportation.

Fourth: Granting credit facilities referenced in Articles (First) and (Second) above is restricted to clients who are permitted to practice trading activities on any part of the kingdom including free-zones, development areas, or private lands which are established in line with the provisions of valid legislations.

Fifth: Granting of the credit facilities referenced in articles (First) and (Second) above shall be subject to the valid provisions of instructions on credit concentration.

Sixth: Granting of credit facilities referenced in items (First) and (Second) above should not lead to breach of the valid provisions of banking law and instructions issued pursuant thereto.

Seventh: Granted credit facilities in foreign currencies for the purpose of re-exportation are included within the related ratios for credit facilities in foreign currencies granted for the purpose of exportation as specified in valid instructions. Credit facilities granted for the purpose of exportation and credit facilities in foreign currencies granted for the purpose of re-exportation shall be listed separately in forms submitted to the Central Bank of Jordan.

Eighth: These instructions shall come into force as of date. They supersede all contradicting instructions.

Respectfully,
The Governor
Fares Abdul Hamid Sharaf