

"This document has been translated for knowledge, but for legal purposes the Arabic version is adopted"



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Corresponding to: 15 May 2022

Circular to Electronic Payment and Money Transfer Companies

After Greetings,

Within the framework of the Central Bank of Jordan's regulation of the national payment system with all its components, and its supervisory and oversight role on Electronic Payment and Money Transfer Companies, including setting up the necessary regulatory controls to manage their risks in an efficient and effective manner. And based on the provisions of Article (21) of the Electronic Payment and Money Transfer Bylaw No. (111) of 2017, I decide the following:

- 1) The company wishing to borrow adheres to obtaining the prior written approval of the Central Bank.
- 2) A company wishing to obtain a loan must submit an application by an official letter to the Central Bank duly signed and stamped, provided that it includes the following: the value of the loan, the interest rate/ return on it, the repayment period, the lender, the purpose of the loan, and the guarantee submitted to obtain the loan, provided that the company attaches to its application the following documents:
 - A) A feasibility study showing the expected financial impact of the loan on the company's business and operational activity.
 - B) The company's plan to repay the loan.
 - C) Any additional information or documents required by the Central Bank.
- 3) The following conditions are required for the loan to be obtained:
 - A) Not to use customer funds and financial amounts received by the company in exchange for issuing electronic money or for electronic money transfer as collateral against the loan granted to the company.

- B) b) Not to mortgage the partners' shares in the company's capital for the purposes of obtaining the loan, or to mortgage any of the company's assets, with the exception of the loan granted for the purposes of purchasing a fixed asset for the company's operational uses exclusively, or the loan related to meeting the financial guarantees required under the provisions of the Electronic Payment and Money Transfer Bylaw in force and the instructions issued pursuant thereto.
 - C) c) In case the loan was granted by any of the capital partners of the company, the interest/ returns of the loan should not exceed the average rate of interest/ return applicable on the date of granting the loan.
- 4) The company shall, after having the approval to obtain a loan, provide the Central Bank with the following:
 - A) The amount of the outstanding loan balance, and evidence that the company has paid the amounts due on the due date, in addition to a list of the transactions that were made to repay the loan, upon request or according to the periodicity that the Central Bank deems appropriate.
 - B) A financial endorsement from the lending entity showing all the details of the loan, including those mentioned in item (A) above, upon request or according to the periodicity that the Central Bank deems appropriate.
 - 5) The company is committed to ensuring that detailed clarifications about the loan balance are included in the clarifications related to the company's final financial statements, bearing in mind that these clarifications include, at a minimum, the loan ceiling, term, outstanding balance, payment amounts, interest/ return rate, and the remaining period until maturity.
 - 6) It is prohibited for the company to guarantee third parties except after obtaining the prior written approval of the Central Bank, and the company is obligated when submitting a request to obtain the approval of the Central Bank to include all data pertaining to identifying the guarantor, the nature of the relationship with him, the value of the guarantee, its validity period, the lender and the purpose of the loan, provided that it shall attach to the request what supports the approval of the Board of Directors of the request and any additional information and documents required by the Central Bank.
 - 7) Borrowing requests related to bank guarantees issued in favor of the company for the purposes of enabling it to conduct its licensed business are excluded from the scope of application of the provisions of this circular, including guarantees that must be submitted in favor of one of the official authorities in the Kingdom or submitted in favor of the Central Bank based on the provisions of the legislation in force, given that the Central Bank is provided with adequate details about these guarantees according to the periodicity that the Central Bank deems appropriate.

- 8) Meeting the conditions and requirements for obtaining a loan mentioned in this circular is considered a basis for considering the company's application submitted in this regard, and does not necessarily mean the Central Bank's automatic approval of the application.
- 9) Circular of the Central Bank of Jordan No. (26/4/14693) dated 15/11/2020 is repealed.

With respect,

Governor

Dr. Adel Al-Sharkas