

Memorandum of Understanding between the Central Bank of Jordan (CBJ) and the Jordan Telecommunications Regulatory Commission (TRC- Jordan)

First Party:

Central Bank of Jordan (CBJ): The Central Bank of Jordan (hereafter referred to as the “Central Bank”), represented by His Excellency the Governor of the CBJ, located in Amman- Jordan, Phone No. (4630301), Fax No. (4639030), whose responsibilities include oversight, supervision and regulation of payments systems in the Hashemite Kingdom of Jordan.

Second Party:

Telecommunications Regulatory Commission (TRC): The Telecommunications Regulatory Commission (hereafter referred to as the “Commission”), represented by His Excellency the Chairman of the Board of Commissioners/ Chief Executive Officer of the Commission, located in Amman – Jordan, Phone No. (5501120), Fax No. (5690830), whose responsibilities include regulating the telecommunications and information technology (ICT) sectors in the Hashemite Kingdom of Jordan.

Preface:

The Central Bank is responsible for the supervision and oversight of the National Switching for mobile payment (hereafter referred to as the “National Switch”), which issued instructions regulating mobile payments service through the National Switch (hereafter referred to as the “Service”), while the mobile network operators licensed by the Commission are key partners in the successful provision of this service, either as network operators or as service providers through subsidiary financial companies established for this purpose.

Furthermore, as the central bank is currently working on requesting mobile payment service providers (hereafter referred to as the “Service Providers”) to include the contractual agreements signed between them and the mobile network operators (hereafter referred to as the “Network Operators”)- according to relevant legislations- and accentuating the commitment of network operators, who provide telecommunications services pursuant to the licenses granted to them by the Commission, to subject revenues derived from the provision of telecommunications services only, which enables the provision of the payment service, to the account of returns’ sharing, as they are obliged to pursuant to the terms and conditions of licensing agreements granted to them by the commission.

Since the Central Bank has authority over all financial transactions related to the service, while the Commission has authority over network operators licensed by it in the kingdom, and given the overlap of the responsibilities of the Central Bank and the Commission (hereafter referred to as the “two parties”), in relation to supervision and oversight on the service, cooperation between the two parties in the field of supervision and oversight of service providers and network operators, each according to its jurisdiction, and according to the legislations governing the activities of both

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parties, becomes important, in order to provide the service easily, efficiently and effectively, to achieve the objective of raising financial inclusion in the kingdom.

Accordingly, the two parties have agreed to regulate cooperation between them pursuant to this Memorandum of Understanding (hereafter referred to as “this Memorandum”).

Article (1): Bases of the Memorandum

The two parties shall cooperate, according to their jurisdictions, in supervision and oversight of service providers and network operators within the framework of central bank's authority to regulate financial services, and the commission’s authority to regulate the telecommunication and information technology sectors to ensure their commitment to providing the service at the highest levels of safety, readiness and confidentiality, in a fair and equitable manner, and to ensure the protection of customers in accordance with the contracts signed between the service providers and network operators and the relevant legislations.

This Memorandum aims to determine the mechanism for cooperation between the two parties and the partnership in the supervision and oversight of the service, and to determine the foundations of treatment among them, due to the limited the scope of supervision and oversight that the parties can implement regarding all aspects related to the service, which in turn will strengthen the legislative, supervisory and oversight framework and identify the gaps if any.

The signing of this Memorandum comes within the framework of mutual respect between the two parties and without affecting the independence of any of them.

Article (2): Scope and Strategies of Cooperation

First: General Provisions

1. Shared Responsibility:

The two parties agree on the following –each according to its specialization-:

a) Cooperation in the following issues:

- i. Consumer Protection
- ii. Mobile Payment Services
- iii. Everything related to access to the service in the kingdom in a fair, safe and reliable manner.

b) Cooperation approaches shall be as follows:

- i. Collaboration in building the capabilities.
- ii. Exchange of experiences and the use of technical experts.
- iii. Holding shared or individual sessions whenever necessary.

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- iv. Exchanging information regarding the service, with the commitment of each of the parties to maintain the confidentiality of information and any documents it receives from the other party in accordance with the legislations in force. In this context, each party's employees shall maintain the confidentiality of the information obtained by them even in case of expiration of the provisions of this Memorandum.
- v. Investigation in any event, issue or matter related to the scope of this Memorandum to identify any security issues and events, and strive to limit their severity, as well as prompt handling and containment of those issues.
- vi. Monitoring systems and networks to detect security breaches and intrusions that may affect the service, and provide reports in their regard to the other party aiming to developing and setting a minimal level of standards as well as technical and operational requirements.
- vii. Resolving disputes between the service providers and network operators, and those emerging ones between service providers and their clients according to the scope of this Memorandum, the legislations in force and the contractual agreements between the service providers and network operators.
- viii. Mutual support between the parties in any issues related to the service, and instantly informing the other party regarding any issues, operations or events that may affect the operation of this service in the kingdom until the provision of the official report in this regard.
- ix. Monitoring and enforcement of the provisions related to the laws, bylaws, principles, and instructions that are related to the service.
- x. Consultation regarding the amendment of laws, bylaws, principles, and instructions in force that are related to the service, and consultation regarding the creation of any new laws, bylaws, principles, and instructions that are related to the service, or updating the ones in force.
- xi. Ensuring the ability to use any data that belong to the network operators, the exchange of which, with other parties, is legally allowed, to the service providers and enabling fair access to it.
- xii. Participation in developing the framework of managing the risks related to the service when necessary.
- xiii. Any other measures related to the scope of this Memorandum if necessary and appropriate for both parties.

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2. The Central Bank's Responsibility:

The Central Bank, through its instructions regarding the regulation of mobile payment service through the National Switch by requiring the service providers to include the contractual agreements signed between them and the network operators, in accordance with the related legislations, emphasizes on the commitment imposed on network operators providing the telecommunications service pursuant to the licenses granted to them by the commission by subjecting the returns generated from providing the telecommunications service only, which enables the provision of the payment service to the account of returns' sharing, as obliged under the terms and conditions of the license agreements granted to them by the Commission.

3. The Commission's Responsibility:

Pursuant to its supervisory and oversight authorities, the commission shall follow up the network operators' commitment to provide their services to service providers commensurate with the requirements specified in the legislations in force in this regard, or in accordance with the service providers' signed agreements with the network operators; for example:

- a) Providing their services to service providers:
 1. With a high technical level and a high degree of readiness to ensure that telecommunications are not interrupted and/or customer data not being transferred with a high level of security and the application of the latest international technical and security standards by network operators.
 2. Effectively and at a reasonable cost in a fair, equitable and transparent manner.
 3. Without practicing any kind of discrimination, whether in pricing, access or quality, between service providers.
 4. Without any delay in the transmission and delivery of service-specific messages.
 5. In a manner that ensures the availability of access to the communication networks in accordance with the agreement signed between them.
- b) Preventing network operators from dealing with a certain service provider over the other in a way that leads to unfair competition.
- c) Verifying that the authorized persons only are able to provide telecommunication services.
- d) Continuous checkup of the main networks and broadcasting stations, whenever necessary, in addition to filtering any breaches and monitoring each of the main networks, broadcasting stations infrastructure, and frequencies range licensed for network operators to prevent unauthorized access or misuse or obstruction.
- e) Network operators shall provide the Commission with reports regarding the results of the breach test related to the protection of the systems to the extent related to the service, provided that these reports include the adopted measures if any.

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- f) Network operators shall provide the Commission with reports regarding unauthorized access to systems and data to the extent related to the service, as promptly as possible. These reports shall include the lost, or potentially lost data, as well as the breaches to the clients' data, and the adopted measures if any.
- g) Providing the freedom of choice for clients between the service providers, who they are benefiting from, without any constraints, discrimination, or differentiation in treatment by network operators.

Second: Consumer Protection

Both parties should ensure that network operators as well as service providers provide and facilitate their clients' access to the entities or units responsible for consumer protection and the related procedures concerning the service.

The commission, pursuant to its legal authorities, is responsible for handling customer complaints regarding the provided service, related to the quality of telecommunications, and telecommunications-related pricing issues, while the central bank pursuant to its legal authorities assumes handling complaints related to the financial aspects and pricing of the service.

The Central Bank shall seek the assistance of the Commission's technical expertise in jointly handling customer complaints, whenever needed, in the event that the cases are related to the financial losses of the client or any other damages resulting from the unauthorized entry to the customer's account through any activity or mechanism related to the service.

All issues and results regarding the complaints of the clients related to the service in the Kingdom shall be shared between the two parties, wherever permitted by law.

Article (3): Coordination between the two Parties

First: Liaison Officers Designation

Both parties shall designate liaison officers and alternative ones to facilitate coordination and information exchange and the processing of technical, operational, legal, organizational issues and implementation of the provisions of this Memorandum.

Second: Formulation of a Joint Working Committee

1. Pursuant to this Memorandum, the two parties shall form a joint working committee (hereafter referred to as "the Joint Committee"), which shall include representatives nominated by the parties.
2. The Joint Committee consists of seven members, four of which shall be from the Central Bank, and three from the Commission. The members must possess the technical,

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operational, legal and legislative skills that are relevant to achieving the objectives of this Memorandum.

3. The Joint Committee shall be chaired by the Central Bank.
4. The Chairman and his deputy are named during the first session of the joint committee.
5. The joint committee shall be dissolved upon expiry of the provisions of this Memorandum.

Third: Responsibilities of the Joint Committee

1. Managing and facilitating cooperation and consultation in matters of the two parties pursuant to this Memorandum.
2. Providing advice with regard to the process of arrangements for this Memorandum.
3. Suggesting any amendments or additions to this Memorandum, if necessary.
4. Determining the impact of any breaches on the networks and systems of network operators and service providers that could affect the operational soundness and safety of the service and mitigating their impact.
5. Advising both parties on service-related issues and providing recommendations on how to handle such issues, which are related to, but are not limited to, the following:
 - a. Preparing any suggestions related to existing laws, new related laws, guidelines/ instructions or any other necessary legislations in order to enable both parties to implement their legal authorities in matters relating to this Memorandum.
 - b. Preparing any suggestions related to safety, service availability, risk management, pricing, consumer protection and any other issues related to this Memorandum.

Article (4): Regulating the Relationship between the Commission and the Central Bank with Network Operators and Service Providers

1. The Commission coordinates with the network operators to verify that they have appointed technical liaison officers and alternative officers from network operators who are assigned to promptly answer the inquiries of the Central Bank and the Commission.
2. The Central Bank shall coordinate with the service providers to verify that they have appointed technical liaison officers and alternative officers assigned to promptly answer the inquiries of the Central Bank and the Commission.
3. Coordination between service providers and network operators shall be carried out whenever needed through the liaison officers referred to in clause "First" of Article (3) of this Memorandum.

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Article (5): Partnership between the two Parties

First: General Provisions

1. The two parties shall exchange information that is necessary for implementing the clauses of this Memorandum.
2. The two parties shall exchange information that is necessary for each one of them to fulfil its duties and responsibilities and which is required by one party from the other, provided that the provision of information for the requesting party shall be pursuant to the provisions of the legislations in force.
3. The party that wishes to inquire or obtain information shall address the other party in writing, and it must be responded to immediately.
4. In emergency cases, it is necessary to directly contact and address the liaison officer, as required.

Second: Legislative and Operational Information Exchange

1. The two parties shall, as the case might be, exchange information related to legislations, principles/ guidelines, instructions or decisions regarding the other party's actions, as well as any projects, standards, legal requirements related to the operations and management of the other party and any substantial developments that may emerge.
2. The two parties provide each other with available information about any security breaches or intrusions that may affect the operation and security of the service in the Kingdom.

Third: Information Confidentiality

1. Both parties are obligated to maintain the confidentiality of the information obtained and shared between the parties under this Memorandum, and to limit its use for legitimate regulatory and legal purposes.
2. The two parties are obliged to conduct due diligence to ensure not using the information on network operators available at the Commission, which have been considered by network operators as confidential pursuant to the provisions of the legislations in force. And in this case, the Commission must obtain the approval of network operators before providing such information to the Central Bank, and the Central Bank must ensure that this information is kept confidential unless the law provides otherwise. In the event that any of the network operators object to the disclosure of their confidential information to the Central Bank, the Central Bank shall be given the opportunity to obtain that information if the laws in force in the kingdom allow it.
3. Each of the parties is obligated to maintain the confidentiality of information and documents submitted to it by the other party in accordance with the effective instructions in this regard. In this context, employees of both parties must maintain the confidentiality

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of the obtained information even in the case of termination of the Memorandum. Both parties shall consult before disclosing the confidential information or part of it, and in the case of submitting documents that contain confidential information, both parties, pursuant to this Memorandum, shall print the following statement on each page:

“Confidential – Provided based on the Memorandum of Understanding signed between the Central Bank of Jordan and the Telecommunications Regulatory Commission (Date)”

4. In case one of the parties discloses the confidential information in violation of the provisions of the legislations in force or the provisions of this memorandum, the party that disclosed such information shall be solely responsible for what is disclosed, unless the disclosure was required or allowed pursuant to the laws in force in the kingdom.

Fourth: Information Exchange and Capability Building

Each party shall provide the other party with the information it obtains from updates such as; updates to technical standards, where relevant to the provisions of this Memorandum, and shall discuss them with the Joint Committee to provide advice for both parties. Each party shall invite the other party to conferences, seminars, training courses and meetings it holds and which are related to the clauses of the Memorandum.

Fifth: Resources

The two parties shall share, as the case may be and whenever appropriate to the two parties, the resources available to each of them in order to fully enforce the provisions of this Memorandum, provided that this does not prejudice with the independence of each party, and does not contradict the laws that they must abide.

Article (6): Implementation of the Memorandum

First: General Provisions

1. Each party has the right to seek the technical opinion of the other party or the assistance of one of its employees.
2. The two parties agree to communicate systematically to exchange views and reports on the achievements related to the Memorandum.
3. This Memorandum can be amended or revised by either party through a written notice. Moreover, either party may terminate this Memorandum through a written notice to the other party indicating that it wishes to terminate this Memorandum.

In the Name of Allah, the most Gracious and Merciful

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Second: This Memorandum's Enforcement

This Memorandum shall enter into force upon the date of signature by both parties, and is amended upon both parties' written agreement, and remains effective as long as any of the parties requests to terminate it (30) days prior to the date it determines.

Issued on Sunday February 25, 2018

Governor of the Central Bank of Jordan

Dr. Ziad Fariz

Chairman of the Board of Commissioners/
Chief Executive Officer of the
Telecommunications Regulatory Commission

Dr. Eng. Ghazi Jbour