



Guideline for Licensing Money Exchange Companies

Central Bank of Jordan

2023

Contents

First: Licensing criteria and conditions.....	(4)
Second: Licensing application.....	(5)
Third: Licensing procedures.....	(6)
Forth: Licensing revocation	(7)
Fifth: Temporary suspension of operating.....	(8)
Sixth: General directions.....	(8)

Introduction

In line with the Central Bank's commitment, as a regulatory authority, to ensure the safety of the money exchange sector in the Kingdom, enhance its competitiveness, and foster economic development. This includes ensuring the sustainability of the money exchange sector within a clear, specified, and objective procedures, standards, and arrangements for licensing companies to conduct currency exchange activities and the other activities permitted under The Money Exchange Business Law No. (44) of 2015. This aims to guarantee a safe and sound money exchange environment that complies with the regulatory framework that governs currency exchange business in the Kingdom.

This guideline has been prepared to provide necessary instructions for the licensing process, including required forms, documents, and data to be submitted. It aims to regulate the licensing process and control market entry.

The Money Exchange Business Law restricts the authority to license money exchange business and reject licensing applications that do not meet the relevant conditions and requirements with the Central Bank's Board of Directors.

First: Licensing criteria and conditions (Market Entry)

The licensing process involves evaluating that the suitability of the ownership structure of the company (founders), the general manager/ management body/ members of the board of directors, and senior management functions against the necessary conditions and standards. Its organizational structure, business plan, and discretionary budget are also examined as essential requirements to be considered when reviewing the applications.

A. Appropriate ownership structure (founders)

The suitability, integrity, and financial position are evaluated based on compliance with the necessary conditions and criteria set out in articles (7) and (8) of The Licensing Money Exchange Companies Bylaw No. (39) of 2021 and its Amendments, with regards to the following:

- Any jurisdictional verdicts issued against them, their integrity, competency, and good conduct
- Adequacy of financial solvency of the founders and their ability to provide further financial support when needed, through bank statements, duly certified bank balance certificates, or any official documents to substantiate this, and through the closing financial statements of the legal founder for the last two years audited by chartered accountant, if applicable.
- Source of the institution's initial capital to be invested.
- Credit balance Information Report.
- Suitable qualifications and educational background, and sufficient experience in money exchange or banking business, both at individual and collective levels.
- Evidence of detachment in improper practices related to money laundering and terrorist financing.
- Having an effective interest in any money exchange company or any other company with similar purpose (if applicable).
- Any requirements for corporate governance.

B. Suitability of General Manager/ management body/ member of board of directors and Senior management functions:

The suitability and integrity of such are evaluated based on compliance with the necessary conditions and criteria set out in Article (13/a) of the Money Exchange Business Law and Articles (9) and (10) of the Licensing Money Exchange Companies Bylaw and its Amendments in terms of:

- Any jurisdictional verdicts issued against them, their integrity, competency, and good conduct
- Suitable qualifications and educational background, and sufficient experience in money exchange or banking business.
- Dedication to managing the company's business.
- Credit balance Information Report.
- Having an effective interest, or membership in the board of directors / general manager/ employee in any exchange company or any other company with similar purpose (if applicable).
- Evidence of detachment in improper practices.
- Any requirements for corporate governance.

Second: Licensing application

The licensing application shall be submitted by the founders to the Central Bank using the forms prepared for this purpose, which detailed all the required data and documents as well as any additional information or data deemed necessary by the Central Bank for making the licensing decision.

The Central Bank, within (60) days from the date of submission of the application, shall provide the applicant with any data required for application consideration. The Central Bank reserves its absolute right to reject the licensing application without stating reasons.

Third: Licensing procedures

A. Granting the license

- The Central Bank's Board of Directors issues its preliminary approval or rejection decision within (90) days from the date of submission of the application.
- If the Central Bank's Board of Directors preliminarily approved on the licensing application, it shall specify the necessary requirements and conditions for obtaining the final licensing, as follows:
 - a) Evidence of completion of the company's establishment, registration and practicing the profession procedures from the relevant authorities.
 - b) Evidence of the company's paid-up capital deposited with a licensed bank in the Kingdom.
 - c) Provide the financial guarantee as required by the Money Exchange Companies Bylaw.
 - d) A lease or ownership contract duly drafted in the company's name with the following site conditions:
 1. The site space should be suitable and sufficient to operate business.
 2. The site shall include all necessary assets specified by the Central Bank.
 3. The site shall not be used to perform any business other than the company's licensed business.
- The preliminary approval shall be deemed revoked if the licensing requirements and conditions are not met within a year of its issuance.
- Upon completing the implementation of all the procedures and requirements stated in the preliminary approval, and any additional procedures or conditions required by the Central Bank, the company's final licensing for conducting money exchange business is granted and the final licensing shall not be transferable until after the approval of the Central Bank's Board of Directors.

- The Central Bank shall be informed of the business commencement date within, at maximum, a year of the final licensing issuance date, accompanied by an opening budget balance sheet dated the same as the business commencement, and a statement showing the names of the staff employed, their nationalities, copies of their identification documents, and job titles.
- The Central Bank's Board of Directors has the right to issue its decision of revoke the money exchange license in accordance with Articles (26/i) and (27/a) of the Money Exchange Business Law.

B. Licensing Renewal

- The application of renewal of the company's licensing shall be submitted not later than the end of January of each year using the prescribed form, which details all required data and documents.
- The licensing renewal year begins on the January 1st of each year and ends on the December 31st of the same year.

Forth: Licensing Revocation

- A written request shall be submitted to the Central Bank for prior approval from the company desiring to revoke its granted license to conduct money exchange business, Signed by the chairman of the board/ management body/ partners, and it shall include the following:
 1. Statement of financial position of the company as of the date of submitted request certified by the company's chartered accountant.
 2. Reasons and justifications for the request.
- The Company's request shall be considered after paying any outstanding fees or fines imposed under the provisions of the Money Exchange Business Law and the Licensing Money Exchange Companies Bylaw, as well as payment of any outstanding obligations.

- Upon approval of the company's licensing revocation, the main office and/ or branches shall be closed, and any manifestations of the practice of money exchange business at those sites shall be removed, and the practice of money exchange shall be immediately ceased and announce the closure.
- The company shall provide the Central Bank with the evidence of completing the company's liquidation procedures and cancellation of its objectives with the Companies Control Department as well as with any other conditions or requirements specified by the Bank for this purpose.

Fifth: Temporary suspension of Operating

A request for temporary suspension of operating shall be submitted to the Central Bank by the company desiring to temporarily cease its operations at all of its licensed sites or any of its branches using the prescribed form for obtaining the prior approval. The request shall be duly signed and shows all the required data and documents.

Sixth: General directions

- A written request shall be submitted to the Central Bank for prior approval from the company desiring to change its legal status, duly signed, attached with the approval of the board of directors/ management body/ partners. And indicating the reasons and justifications for the request in accordance with the related legislations in force and the bases and criteria set by the Central Bank for this purpose.
- A written request shall be submitted to the Central Bank for prior approval from the company desiring to change its licensed category to another category, duly signed, attached with the approval of the board of directors/ management body/ partners, indicating the reasons and justifications for the request. Taking into account the company's compliance with provisions of the law and the bylaw, and the instructions issued thereunder.

- Inform the Central Bank if the company relocate its management fully or partially to another licensed site.
- Inform the Central Bank immediately if the company makes any change in the space of its main office.
- The Central Bank shall be invited when the company holds a general assembly meeting, regardless of its type.

Governor

Dr. Adel Al- Sharkas