

Licensing Money Exchange Companies Bylaw and Amendments

Bylaw No. (39) of 2021

Issued pursuant to the provisions of Articles (5), (15), (33) of

Money Exchange business Law no. (44) of 2015

Article (1):

This bylaw shall be called (Licensing Money Exchange Companies Bylaw of 2021) and shall come into force after the lapse of thirty days as of its publication date in the Official Gazette.

Article (2):

The definitions mentioned in the Money Exchange Business Law shall be adopted wherever stated in this Bylaw, unless the context indicates otherwise.

Article (3):

- A. It is not allowed to practice any of the Money Exchange Business activities except for Jordanian companies registered with the Companies Control Department, under one of the following legal forms:
1. Partnership Company.
 2. Limited Partnership Company.
 3. Limited liability Company.
 4. Private shareholding Company.
 5. Public shareholding Company.
- B. Companies that were established under agreements, civil companies, non- profit companies, exempted companies and foreign companies are not allowed to practice any of the Money Exchange Business activities.

Article (4):

- A. The company paid- up capital shall not be less than the amount listed in the table below:

Category	Minimum Capital
A	(2.000.000) Two Million Dinar
B	(1.000.000) One Million Dinar
C	(300.000) Three- Hundred Thousand Dinar
D	(150.000) One Hundred- Fifty Thousand Dinar

- B. The company is committed to increase its paid- up capital for each branch with the amount stated in the table below:

Category	The Capital Amount for Each Branch
A	300.000 Three Hundred Thousand Dinar
B	150.000 One Hundred- Fifty Thousand Dinar
C	100.000 One Hundred Thousand Dinar
D	40.000 Forty Thousand Dinar

- C. The company may, if it was a public shareholding company, open branches outside the Kingdom, provided that its minimum paid- up capital shall not be less than (4.000.000) Four Million Dinars and that it is committed to increase its paid- up capital with (500.000) Five Hundred Thousand Dinars for each external branch.
- D. The bank may require the company to provide additional capital if the company was allowed to practice any other business or services based on the provisions of paragraph (E) of Article (16) of the Money Exchange Business Law.
- E. The company may, after fulfilling the conditions and requirements provided in the provisions of this bylaw, change its category to any of the categories referred to in paragraph (A) of this Article.

Article (5):

- A. Taking into account the categories of the companies stipulated in Article (4) of this bylaw, the final licensing shall determine the activities that the company can practice according to its category as follows:

Category	Activity
A	<ol style="list-style-type: none"> 1. Buying and selling cheques denominated in foreign currency. 2. Sending and receiving financial transfers inside and outside the kingdom. 3. Providing electronic transfer of funds services as a main agent through a licensed or approved electronic payment system with the right to grant sub- agencies to other exchange companies. 4. Providing electronic transfer of funds services as a sub- agent through a licensed or approved electronic payment system. 5. Buying and selling precious metals. 6. Importing and exporting foreign banknotes, coins, and precious metals. 7. Any other activities or services approved by the board.
B	<ol style="list-style-type: none"> 1. Buying and selling cheques denominated in foreign currency. 2. Sending and receiving financial transfers inside and outside the kingdom. 3. Providing electronic transfer of funds services as a main agent through a licensed or approved electronic payment system without the right to grant sub-agencies to other exchange companies. 4. Providing electronic transfer of funds services as a sub- agent through a licensed or approved electronic payment system. 5. Any other activities or services approved by the board, except for the activities stipulated in paragraphs (b) and (c) of Article (16) of the Money Exchange Business Law.

C	<ol style="list-style-type: none"> 1. Buying and selling cheques denominated in foreign currency. 2. Providing electronic transfer of funds services as a sub- agent through an approved electronic payment system. 3. Any other activities or services approved by the board, except for the activities stipulated in paragraphs (b) and (c) of Article (16) of the Money Exchange Business Law.
D	<ol style="list-style-type: none"> 1. Buying and selling cheques denominated in foreign currency. 2. Any other activities or services approved by the board, except for the activities stipulated in paragraphs (b), (c) and (d) of Article (16) of the Money Exchange Business Law.

B. It is not allowed to practice activities of the electronic payment system administrator, which is referred to in the valid payments and electronic transfer of funds bylaw, except for companies licensed within category (A) referred to in paragraph (A) of this Article, and only after the necessary licensing is obtained. Moreover, the company paid- up capital (without the capital allocated for the branches) shall not be less than the minimum capital amount of the companies licensed as a payment system administrator under the provisions of the payments and electronic transfer of funds bylaw and the regulations issued pursuant thereto.

Article (6):

- A. The company shall provide an unconditional bank guarantee with 30% of its paid- up capital or a cash deposit with the same value to the order of the governor.
- B. The bank may require the company to provide an additional unconditional bank guarantee commensurate to the risk degree and the soundness of the company's financial position to face the risks to which it may be exposed if it was allowed to practice any other business or services based on the provisions of paragraph (E) of Article (16) of the Money Exchange Business Law.
- C. The company may, after obtaining the approval of the bank, replace the unconditional bank guarantee or cash deposit referred to in paragraphs (A) and (B) of this Article, or any part thereof, with government securities. The securities shall be mortgaged in favor of the bank to ensure the company's compliance with the provisions of the Money Exchange Law and the regulations and instructions issued pursuant thereto.

Article (7):

Each partner must meet the following requirements:

- A. Not to have been previously convicted with the crime of practicing unlicensed money exchange business.
- B. To submit a proof that he/ she meets any requirements or conditions imposed by the legislation in force of his/ her country of origin, **if not a Jordanian**.
- C. The credit report of any of those who own an influential share in the company may not show any negative information about that partner.
- D. Not to be listed on the local or international sanctions lists related to money laundering, terrorist financing, and weapons proliferation if he/ she owns an influential share or holds any of the senior management functions.
- E. To meet the standards of suitability, integrity, and governance in accordance with the instructions issued by the board.
- F. If the partner is a natural person, he/ she must meet, in addition to the requirements stipulated in paragraphs A to E of this Article, the following:
 1. To be fully competent and of good conduct.
 2. To proof sufficient financial solvency.
 3. Not to have been previously declared bankrupt or insolvent unless he/ she has been rehabilitated.
 4. To have an appropriate academic degree or sufficient experience in money exchange or banking business provided that the competent authorities must approve this experience. Moreover, the bank may only apply this condition to one of the partners who owns an influential share if the licensing applicants are more than one.
- G. If the partner is a legal person, they must meet, in addition to the requirements stipulated in paragraphs A to E of this Article, the following:
 1. To be allowed in their Memorandum of Association to be a part of other companies.
 2. Not to be a part in companies that faced a final court judgment for violating the Economic Crimes Law.
 3. Their financial statements shall reflect the correctness and soundness of their financial solvency.

Article (8):

The partner must commit to the following:

- A. Disclose his/ her ownership or management if it constitutes an influential interest in any money exchange company or any company with similar purposes.
- B. Provide a written commitment to completely segregate, financially and administratively, between the company and any other money exchange company or any company with similar purposes and to ensure the independence and impartiality of decisions.
- C. Obtain a written pre- approval from the bank for any change in the ownership of the company or any transfer in its shares, whether this is done in one operation or several ones, directly or indirectly, if this transfer leads the ownership of a person to be an influential interest of the company's capital or leads to an increase in the percentage of this interest.

Article (9):

The person holding the position of General Manager must meet the following requirements and conditions:

- A. To be fully competent and of good conduct.
- B. To hold a bachelor degree in finance, banking, accounting sciences or any related specialty.
- C. To have an experience in banking, accounting or money exchange businesses for a period not less than five years for companies of categories (A) and (B), and not less than three years for companies of categories (C) and (D) provided that this experience should be issued by the entity that he/ she worked with and officially certificated.
- D. To have the time to manage the company's business.
- E. Not to have been previously convicted in a final court judgment of an economic crime.
- F. Not to have been previously declared bankrupt or insolvent unless he/ she has been rehabilitated.
- G. Not to have any negative information in his/ her credit report.
- H. Not to have an influential interest, directly or indirectly, in any related or subsidiary company unless he/ she discloses such in advance.
- I. To meet the standards of suitability, integrity and governance in accordance with the instructions issued by the Board.

Article (10):

The educational degree for whoever occupies the position of assistant general manager, deputy general manager, internal audit manager, financial manager, risk manager, compliance manager, or any other employee in the company who has executive authority parallel to any of the aforementioned authorities must not be less than a bachelor's degree in finance, accounting or banking sciences. Moreover, they shall have at least two years of officially approved practical experience issued by the entities for which they worked.

Article (11):

- A. The company must obtain the Bank's prior approval before appointing the General Manager and before making any changes on any of the senior positions or the authorized signatories.
- B. Anyone who occupies any of the positions in the senior management will lose his/ her position if he/ she violates any of the conditions set forth in Articles (9) and (10) of this Bylaw.

Article (12):

Non- refundable licensing application fees shall be collected from the licensing applicant as follows:

- A. (500) Five hundred dinars for the licensing application of the head office.
- B. (250) Two hundred- fifty dinars for the licensing application of each branch inside the Kingdom.
- C. (1000) One thousand dinars for the licensing application for each branch outside the Kingdom.

Article (13):

- A. A licensing fee shall be collected from the company after the board's decision to grant the final licensing of its head office and of each of its branches as follows:

Category	Main Office	Branches
A	(50.000) Fifty Thousand Dinars	(10.000) Ten Thousand Dinars
B	(15.000) Fifteen Thousand Dinars	(6.000) Six Thousand Dinars
C	(6.000) Six Thousand Dinars	(2.000) Two Thousand Dinars
D	(3.000) Three Thousand Dinars	(2.000) Two Thousand Dinars

- B. Notwithstanding the provisions of paragraph (A) of this Article, a licensing fee of (20,000) Twenty Thousand Dinars shall be collected from the company after the board's decision to grant the final licensing of each branch outside the Kingdom.
- C. The board may cancel its decision to approve the issued final licensing, if the licensing fees were not paid within six months from the date of the board's decision.

Article (14):

- A. Annual licensing fee shall be collected from the company for its head office and for each of its branches as follows:

Category	Main Office	Branches
A	(7.000) Seven Thousand Dinars	(2.000) Two Thousand Dinars
B	(5.000) Five Thousand Dinars	(1.500) One Thousand- five hundred Dinars
C	(3.000) Three Thousand Dinars	(1.000) One Thousand Dinars
D	(1.000) One Thousand Dinars	(750) Seven Hundred- fifty Dinars

- B. Notwithstanding the provisions of paragraph (A) of this Article, an annual fee of (2500) two thousand five hundred dinars shall be collected for each branch outside the Kingdom.
- C. The annual fee referred to in this Article shall be due for the year in which the company was granted its licensing final approval or for licensing a new branch at a prorata temporis consistent with the time- period, according to instructions issued by the bank specifying the fee collection mechanism and due dates.

Article (15):

When the company upgrades its category to a higher one, it should pay the difference amount between the licensing fee and the renewal fee.

Article (16):

The companies licensed prior to the enactment of this bylaw shall rectify their situation in accordance with its provisions within a period of two years from the date this bylaw came into force and the board may extend this period to a similar period.

Article (17):

The board shall issue the instructions necessary for the implementation of the provisions of this bylaw, including instructions of opening new branches.

Article (18):

The money exchange licensing fees bylaw no. (37) Of (1992) shall be abolished.