



National Strategy for Electronic Payments in Jordan (2023-2025)



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**HIS MAJESTY
KING ABDULLAH II BIN AL-HUSSEIN
KING OF THE HASHEMITE KINGDOM OF
JORDAN**



**HIS ROYAL HIGHNESS
PRINCE AL-HUSSEIN BIN
ABDULLAH II
THE CROWN PRINCE**

During the last ten years, the e-payments systems and services in the payments sector in Jordan have been developing remarkably, whether in terms of wholesale payment systems and retail payment systems, or in using e-payment instruments and means via mobile phone applications or Internet portals. The payments sector in Jordan is stable and efficient thanks to the continuous improvement in the performance of the institutions operating in the sector, as well as in the quality and comprehensiveness of the services provided, alongside the oversight and supervisory role of the Central Bank of Jordan (CBJ) on the payment services providers (PSPs) and the Electronic Payment System Operators (PSOs), in light of the CBJ's regulating and developing of the national payment system (NPS), to ensure the provision of safe and efficient payment, clearing, and settlement systems and services in the Kingdom. Nevertheless, more efforts are still needed to expand the benefits of these services, in order to strengthen the e-payment system, in a way that contributes to promote financial inclusion and supports the transition toward a comprehensive and developed digital economy.



The CBJ in cooperation and coordination with the financial institutions under its oversight and supervision, as well as other stakeholders, is still striving to provide its continuous support towards the transition to an integrated and comprehensive e-payment environment instead of the traditional one. While pursuing this goal; the CBJ supports available and applicable cutting-edge payment initiatives and explores opportunities to increase investments in developing e-payments, facilitates the use of new and innovative payment instruments, means, and services, and puts in place regulatory frameworks that take into account the flexibility and adaptation to new developments, especially in light of the modest levels of financial inclusion in the Kingdom.

Furthermore, this strategy is in line with the Economic Modernisation Vision as one of the royal initiatives, and in line with other national strategies that seek to reach a comprehensive and well-developed digital transformation that supports the provision of services electronically. It also responds to the requirements of the technical development and the rapid growth in using modern technology innovations to provide financial and banking services; this strategy was formulated concurrently with the developments we are experiencing in the payments sector and its components in the Kingdom, in terms of the legislative environment, infrastructure, as well as the financial consumer behavior. This is to support the outreach and encourage the use and the increasing acceptance of modern e-payment systems,

instruments, and channels in conducting transactions, in a way that meets the needs of all business sectors, the government sector, individuals, and the entire Jordanian society, which increases the velocity of money in the economy, enhances economic efficiency, supports the efficient and effective implementation of the monetary policy, and contributes to achieving monetary and financial stability, in addition to enhancing the financial inclusion rates in the Kingdom.

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LIST OF ABBREVIATIONS

ACH	Automated Clearing House
ATM	Automated Teller Machine
BIS	Bank for International Settlements
ECC	Electronic Check Clearing
FinTech	Financial Technology
G2B	Government to Business
G2G	Government to Government
G2P	Government to Person
IEPS	International Electronic Payment System
KYC	Know Your Customer
LVPS	Large Volume Payment System
MPOS	Mobile Point Of Sale
NFC	Near Field Communication
NPC	National Payment Council
P2G	Person to Government
PFMIs	Principles for Financial Market Infrastructures
POS	Point Of Sale
PSOs	Payment System Operators
PSPs	Payment S ervices Providers
QR	Quick Response
RPS	Retail Payment System
RTGS	Real-Time Gross Settlement

LIST OF TERMS AND DEFINITIONS

National Payments System (NPS)	According to the provisions of Article (2) of the amended Central Bank of Jordan Law No. (24) of 2016, the term “National Payments System” refers to “the electronic information system that allows sending, receiving, or processing payment orders, transferring money in any currency, clearing and settlement services, and issuing and administering payment instruments.” The availability of a sound and efficient NPS is a cornerstone for the financial system’s infrastructure and stability, facilitates conducting economic activities in the Jordanian market, and it is also an essential factor in conducting transactions at the lowest cost possible, which mirrors the national economy and its growth and development.
Oversight on National Payments System	According to the Bank for International Settlements (BIS), the oversight “is a central bank function whereby the objectives of safety and efficiency of the NPS are promoted by monitoring existing and planned payment, clearing, and settlement transactions, and related arrangements, assessing them against these objectives, and, where necessary, inducing change. These arrangements involve all e-payment systems as one of the financial market infrastructures, other activities and arrangements for payment, clearing, settlement and reporting, whether inside or outside the country (including systems and activities involving wholesale payments and retail payments), as well as retail payment tools and means”. Meanwhile, it is one of the functions that the CBJ currently undertakes, according to the provisions of its law and the electronic transactions law in force.
E-Payments System	A set of programs or instruments intended for payment, transfer, clearing, or settlement of money electronically and approved by the CBJ.
E-Payment Services	Procedures related to the issuance and management of any of the instruments of payment or electronic transfer of money, including the management of electronic cash deposits and withdrawals, the management and conducting of credit and debit e-payment transactions, which include mobile payment, and electronic collection of money services.
Electronic Money Transfer	The transfer of money from the sender to the beneficiary using electronic means via an electronic payment system licensed or accredited by the central bank.
The Payment System	The entity licensed by the central bank to manage and operate an electronic payment system.

Operator (PSO)	
The Payment Service Provider (PSP)	The entity licensed by the CBJ to practice any activities of electronic payment services.
E-Payment Instrument	Any electronic mean approved by the CBJ, that enables its holder to pay or transfer money electronically, comes in three main types: credit, debit, and prepaid.
E-Payment Channel	An electronic mean that enables the customer to access his/ her bank account or e-payment account to use the financial and banking services associated with it, including conducting electronic payments and money transfers.
E-Money	A monetary value stored by electronic means whereby the issuer is obliged upon receiving its value in cash.
Clearing	The calculation of the net financial positions of the members participating in an electronic payment system, whether for payments or commissions resulting from trading payment transactions through the electronic payment system, which are sent to the Real Time Gross Settlements system (RTGS-JO) or any other clearing system accredited by the CBJ.
Settlement	The process whereby the clearing files extracted from an electronic payment system are settled, through crediting/ debiting them to/ from the accounts of banks involved in the settlement at the CBJ.
Financial Inclusion	The status where individuals and businesses have adequate and affordable access to various financial services and products (payments, savings, credit, money transfer, insurance) in a way that meets their needs and helps them improve their standards of living, in a safe and sustainable manner.
Gender Gap	A term that refers to the difference between males and females in social, political, intellectual, cultural, or economic aspects. The gender gap index is measured in terms of four main aspects: politics, economy, health, and education. For the purposes of this strategy, this term refers to women's access to financial services compared to men.
FinTech	A term referring to technology-enabled innovations in financial services that can result in new business models, applications, processes, or products that have a material impact on the provision of financial services.

Preface

During the past decade, the NPS in Jordan went through a remarkable development that reached all of its components and at all levels, starting from the legal and legislative framework governing the NPS, and the technical infrastructure, to reach the provision of various and advanced e-payment systems, instruments, and channels that allow for conducting wholesale or retail payments. This is through adopting and using cutting-edge Fintech and the related innovations, which contributed to enhancing the electronic financial and banking services in a way that keeps pace with regional and global developments in this sphere, and in a manner that meets the needs of the financial consumer and various business sectors.

With respect to the legal and legislative framework governing e-payments, the legislative environment in the Kingdom, in particular, has experienced several changes, which resulted in the legislative foundations for recognizing electronic money transfer as an acceptable mean for conducting payments, as well as subjecting electronic payment and money transfer companies -as main players in the NPS- to the CBJ's licensing, oversight, and supervision according to the Electronic Transactions Law No. (15) of 2015. Accordingly, pursuant to the amended CBJ Law No. (24) of 2016, the CBJ's supervisory umbrella was expanded to include the e-payment and electronic money transfer sector, and the CBJ also was entitled to regulate and develop the NPS, to ensure the provision of safe and efficient systems for payment, clearing, and settlement in the Kingdom in order to achieve the CBJ's main objectives related to achieving monetary stability.

Furthermore, the technical and technological infrastructure for e-payments has tremendously improved. The CBJ has and is still supporting the use of technology, benefiting from the cutting-edge IT and communication networks, and encouraging the use of modern Fintech in applying and conducting e-payments. This is particularly involves putting in place the regulatory instructions that define the minimum technical and technological conditions and requirements that must be fulfilled by the financial and banking institutions subject to its oversight and supervision, in addition to setting appropriate guidelines and regulatory frameworks that support the use of modern Fintech in providing the financial and banking services, in parallel with providing an appropriate framework for managing the risks and challenges that emerge with these

technologies and adapting to these risks and challenges, namely, the cybersecurity and information security risks, which contributed to raising the efficiency and effectiveness of and developing the e-payment systems, as well as enhancing the access to and participation in the NPS in a safe and reliable way.

As for providing multiple and advanced e-payment systems, instruments, and channels that allow for conducting wholesale and retail payments, the CBJ and based on its strategy for payment and settlement systems in Jordan for the years (2013-2016) has developed and reformed the payment and settlement systems in the Kingdom. The CBJ also encouraged the increasing acceptance of modern payment instruments and channels. In this regard, the (RTGS-JO) has been restructured, which is designed to settle large-value and high-importance payment orders, with which other e-payment systems are connected to settle their net financial positions (NFPs) which are guaranteed by the CBJ money.

On the front of retail payment systems, mobile phone services have been introduced to the financial and banking sector, including sending SMSs to customers to notify them of the payment transactions on their accounts, the mobile banking applications services, as well as the development and construction of mobile payment systems (CliQ & JoMoPay) to enable customers to carry out and exchange financial transactions using e-wallets and bank accounts within the context of interoperability. This is in addition, to the foundation of an electronic system for bill presentment and payment electronically (eFAWATEERcom), for various billing entities, including government institutions, in addition to supporting e-commerce payments in the Kingdom. The Automated Clearing House (ACH) system was also developed to facilitate and accelerate the carrying out of large-volume and low-value credit and debit financial transfers and trading them between banks and their clients automatically and to support the electronic transfer of salaries, pensions, and national aids.

However, several payment instruments have become widespread in the Kingdom, such as debit, credit, and prepaid cards, whether they are tangible or intangible according to the technologies used, which enable the holder to conduct payment transactions electronically, which enables the financial consumer to conduct his/ her financial transactions easily. There are also several e-payment channels that are spreading

successively with a noticeable increase in all regions of the Kingdom, mainly online banking, Mobile banking applications and e-wallet applications, in addition to other channels such as ATMs, POSs and Kiosks, which contributes to enhancing the use, acceptance, and collection of payments electronically, thus stimulating the digital transformation in the economy.

Furthermore, the developments in the NPS and all of its components contributed to the emergence of its role as an essential pillar that the government institutions, financial and banking sector institutions, and the CBJ used when they pursued their programs and initiatives during the COVID-19 pandemic, in particular the provision of national aid payments, support, financial provisions, and salaries by government institutions remotely without the need for their presence in person, not to mention the citizens' ability to conduct their payments for their purchases and services without interruption, which contributed to supporting adherence and compliance with the health protocols established then to protect customers against the risks of transmission of COVID-19 pandemic.

To complement the CBJ's measures taken to regulate and develop the NPS to ensure the provision of safe and efficient systems for payment, clearing, and settlement in the Kingdom, the CBJ introduced the National Strategy for E-Payments 2023-2025 as the first strategy launched by the CBJ after being entitled to regulate, oversee, and supervise the NPS according to the CBJ law in force. However, it is the second after the payment and settlement systems strategy in Jordan (2013-2016), which was based on three main pillars: developing and updating legal frameworks to ensure a comprehensive legal environment, raising the efficiency and requirements of payment, clearing, and settlement systems, enhancing the access and participation in the NPS, and putting in place a comprehensive national strategy for retail payment systems and financial inclusion.

In addition, this strategy reflects the CBJ's commitment to implement the executive plan for economic modernisation vision (2023-2025) as a main pillar in the comprehensive economic modernisation project, featuring the initiatives included in this plan related to the financial services sector, namely; intensifying the work towards digital transformation in the financial sector, providing an appropriate environment

conducive to support Fintech and related innovations, enhancing financial inclusion, and developing the banking sector's ability to provide distinguished digital services, which the CBJ will strive to achieve within the timelines specified in the above plan. This is to ultimately contribute to achieving the general directions of the economic modernisation vision, including promoting digital transformation and the digital economy, and for Jordan to become a leading regional hub and investment destination for Fintech, and to promote the transition towards a cashless digital society through using digital financial services.

Moreover, when formulating this strategy, the CBJ was also keen to match it with relevant national plans and strategies, most notably the National Digital Transformation Strategy (2021-2025). Accordingly, this strategy constitutes the road map for the CBJ and main stakeholders to enhance the efficiency and effectiveness of the digital transformation of payments and its impact on supporting the transition towards a comprehensive and developed digital economy, which is achieved in partnership with relevant government institutions, financial and banking institutions subject to the oversight and supervision of the CBJ, civil society organizations, and other private sector organizations.

This strategy reflects the vision of CBJ and its main stakeholders to continue to maintain a safe and efficient NPS, which contributes to achieving sustainable development in the Kingdom. This strategy focuses on achieving several objectives during the next three years, represented by strengthening the supervisory, regulatory, and legislative framework for the NPS, facilitating and supporting the transition to a cashless digital economy in the Kingdom, enhancing and enabling the innovation environment in the NPS, enhancing the access to and integration in the NPS, in addition to strengthening the efficiency and effectiveness of e-payment systems and services.

The objectives of this strategy will be achieved through an action plan that includes detailed actions, Key Performance Indicators (KPIs), and determined responsibilities of the stakeholders related to implement these actions, as well as stipulating the expected outcomes and the expected timeline for implementing each objective.

VISION

To continue to maintain a safe and efficient national payment system, which contributes to achieve sustainable development in the Kingdom.

MISSION

To maintain a safe and efficient national payment system by strengthening the infrastructure and legislative framework and creating an environment for Fintech and innovations that support e-payments systems and services, thus contributing to promoting the spread, use, and acceptance of e-payments, in addition to supporting the transition to a cashless society that depends on innovation, promoting financial inclusion, and supporting the transition towards a comprehensive and advanced digital economy.

Pillar I: The Status Quo of the NPS (Enablers and Challenges)

- 1. Enablers Supporting the NPS**
- 2. Challenges Facing the NPS**
- 3. The Compatibility and interoperability of the NPS Components**

The Status Quo Of the NPS (Enablers and Challenges)

1. ENABLERS SUPPORTING THE NPS

The NPS is distinguished with several supporting enablers for the work of its components in terms of the various e-payment systems, instruments, and means, which in turn has led to the acceleration of the spread and demand for the use and acceptance of e-payment services in a reliable, credible, safe, and efficient manner. The most prominent enablers for the NPS are as follows:

- **A Developed and Supporting Infrastructure to Accept E-Payment is in Place**

The NPS is featured by the availability of several e-payment systems that support all forms of wholesale payments or retail payments for the private and public sectors, including electronic money transfer systems, whether for local or cross-border remittances.

Furthermore, there are also many diversified payment instruments that come in credit, debit, and prepaid forms, whether tangible or intangible that use modern technologies; they enable the holder to conduct e-payments and electronic money transfers, which allows the financial consumer to use any convenient instrument available to carry out financial transactions. This is alongside the existence of a supporting and flexible environment for innovation in new payment instruments or enhancing the existing ones according to the supply and demand factors.

With respect to payment channels; there are several e-payment channels available in the retail payment market, some of which use the Internet such as online banking channel, while others use smartphone applications such as the mobile banking channel and mobile payment applications such as e-wallets, in addition to other e-payment channels such as ATMs, POSs, and Kiosks.

The components of the NPS are featured with high compatibility and high interoperability, which supports executing retail payments without any obstacles or restrictions, yet, several efforts are needed by the CBJ in cooperation with its main stakeholders to enhance and expand the scope of compatibility and interoperability between e-payment systems, instruments, and channels; in a way that supports the easy execution and flow of payments and transfers between the various components of the NPS in an affordable manner for the financial consumer and PSPs as well.

In the same context, raising financial awareness and financial literacy is essential for financial inclusion in society, and it is one of the topics that must crosscut all other pillars in the financial inclusion strategy, including the pillar of promoting e-payment. However, promoting awareness about available financial products and services if done properly would enhance the optimal and safe use of these services, including e-payment services and products. Accordingly, the CBJ has initiated a project to spread and strengthen financial literacy in all sectors of Jordanian society, which will contribute to upgrade the infrastructure supporting the acceptance of e-payment.

- **A Legislative and Regulatory Framework for E-Payment is in Place**

Despite that the e-payment and electronic money transfer sector in the Kingdom is new, the legislative framework governing e-payments is appropriate and balanced in terms of the management of risks associated with e-payments and supporting relevant innovations. It also regulates the companies willing to provide payment services or manage and operate e-payment systems in the Kingdom under the CBJ's oversight and supervision, which contributes to enhance the standards of safety and efficiency of the NPS, and provides appropriate protection to the financial consumer.

In this regard, a number of measures have been taken that have contributed to the development of legislation related to e-payment, including enacting the amended CBJ Law of 2016, and the Electronic Transactions Law of 2015, as well as enacting the Electronic Payment and Money Transfer bylaw of 2017, in a manner that ensures that the CBJ is entitled to regulate, oversee, and supervise the NPS, including licensing electronic payment and money transfer companies.

The CBJ also constantly reviews the legislative framework governing the provision of e-payment services and electronic money transfer in the Kingdom, and updates it wherever necessary, in a way that ward off any obstacles that may deter the progress and development of the NPS.

- **Licensing of electronic payment and money transfer companies**

The CBJ has licensed (15) electronic payment and money transfer companies as of end 2022, whereby they are licensed to provide their services in the Jordanian market, in addition to licensing (9) exchange companies to manage and operate e-payment systems to provide electronic money transfer services, whether local or cross-border. This is in addition to accrediting (20) IEPs that provide payment services or local and cross-border transfers in the Jordanian market through financial and banking institutions licensed by the CBJ, and under its oversight and supervision. This in turn, creates a variety of options for the financial consumer to choose among products and services that meet his/ her needs and desires, and enhances the competitiveness in providing payment services and expands its outreach, hence, raising the financial inclusion levels.

- **The Availability of Automated Government Services**

The Jordanian government through the Ministry of Digital Economy and Entrepreneurship and within the e-government program enhanced the infrastructure that supports digital transformation and provided the necessary technical support to government institutions to prepare, implement, and follow up digital transformation plans. The Ministry has also embarked on re-engineering the procedures of many services, and automating and launching a range of government services of interest to citizens and businesses. This in turn, is considered one of the main enablers for the NPS once the e-government services are integrated with e-payment services, as it is essential in improving the provision of government services electronically through smart digital channels that ensure the optimal access to those services by all segments of society in an easy and simple way, that is available 24 hours and everywhere, which achieves the aspirations of the beneficiaries and the strategy of the e-government program.

- **Lessons Learned from the Covid-19 Pandemic**

In light of the COVID-19 pandemic that headwind the whole world, the digitization of the payments industry gained great importance in various relevant sectors, especially e-payment companies, and in particular the retail sectors. The tendency towards digital options was accelerated and the demand for cashless payments increased in an unprecedented way. However, amid the expectations that this trend will continue at an upward pace, the shift towards digital payment services is inevitable which will be vital basic services in the future, even in the post-COVID era.

2. Challenges Facing the NPS

Despite the readiness of the legislative environment and the infrastructure as well as the availability and diversity of e-payment systems, instruments, and channels in the Jordanian payment market, yet there are several challenges are looming large for the NPS, which impede the achievement of the strategic objectives of the CBJ towards promoting e-payment, and the spread of e-payment services in an overarching manner that covers all regions of the Kingdom and all segments and components of the Jordanian society, and reducing dependence on the e-payment system in carrying out financial transactions. The main challenges are listed below according to the characteristics of the NPS components:

Characteristics of the NPS Components:	<ul style="list-style-type: none">• Existence of certain regulatory rules directed towards mitigating the risks in a way that makes the e-payment environment safe, efficient, reliable, and affordable.• The readiness of the infrastructure for e-payments, including government payments, to meet the technical requirements and the availability of e-payment systems, instruments, and channels.• The integration and interoperability between the NPS components and the cooperation between relevant stakeholders to support the initiatives and innovations of the payments infrastructure.• Policies that support changing the habits and behaviors of financial consumers, both individuals and companies, towards accepting and approving e-payment.• The financial inclusion levels in the Kingdom.
Despite the Availability of These Characteristics , Yet Several Issues Need to be Strengthened, Namely:	<ul style="list-style-type: none">• The ineffectiveness of e-payment transactions as appropriate, limited reliability, and use only specific e-payment instruments.• A regulatory framework that emphasizes financial consumer protection, competition and innovation, and unifies the standards related to the provision of payment services such as the policy of pricing payment services fairly and transparently is in place.• Deficiencies in certain standards of integration and full interoperability which lead to inconvenient user experiences.• Deficiencies in the levels of financial awareness and literacy among financial consumers regarding e-

	payments and the low access rates to e-payment services.
This Imposes These Challenges:	<ul style="list-style-type: none"> • Limited use of e-payments and limited innovation in the e-payment sphere. • Conducting Substandard commercial transactions resulting from the continuous use of cash and checks by consumers. • The relatively high cost of payments in the economy. • Low levels of financial inclusion in terms of delivering e-payment services.
Accordingly, These Issues Need to be Addressed:	<ul style="list-style-type: none"> • Put in place policies and procedures aimed at reducing the use of traditional payment instruments and cash and enhancing the use of e-payment. • Introduce appropriate mechanisms to embrace and enhance innovation in e-payments. • Develop appropriate mechanisms to reduce the cost of payments in the economy. • Enhance financial awareness and literacy and increase the financial inclusion levels in the Kingdom.

3. The Compatibility and Interoperability of the NPS Components:

The NPS enjoys sufficient levels of compatibility and interoperability of its components, which supports carrying out retail payments without any obstacles or restrictions. However, more efforts are needed by the CBJ in cooperation with its main stakeholders in the NPS to promote and expand the compatibility and interoperability on a broad level, especially in terms of the e-payment channels; such as ATMs, POSs, mobile payment applications, and online payment portals, which will allow the flow of payments and transfer orders across multiple payment instruments and channels smoothly, easily, and at low cost for the financial consumer and PSPs.

The current levels of compatibility and interoperability for the NPS components are highlighted as follows:

E-Payment Systems:	<ul style="list-style-type: none"> • Enable banks and their customers to execute interoperable financial transfers through multiple e-payment systems, such as the (RTGS), (ACH), (CliQ), and e-payment systems operating in the exchange companies sector. • Enable banks or non-bank customers to execute payment orders and financial transfers between their
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	<p>bank accounts and e-payment accounts through (CliQ) system.</p> <ul style="list-style-type: none"> • Allow customers of banks and PSPs to inquire about and pay for bills electronically through bank accounts and e-payment accounts through eFAWATEERcom. • Enable banks and electronic payment and money transfer companies to participate in electronic transfer systems operated by exchange companies to send and receive cross-border remittances electronically. • Enable all banks, exchange companies, electronic payment and money transfer companies to integrate with IEPSs to provide payment and cross-border remittance services. • Achieve the highest levels of transparency in conducting cross-border remittances, in line with the recommendations of the International Financial Action Task Force (FATF) and global practices thereof.
POSs	<ul style="list-style-type: none"> • Enable cardholders, whether payment cards were issued by PSPs or by banks, to execute their payments on POSs spread across merchants or payment portals in e-commerce websites, regardless of the card issuer, type, or brand, and regardless of the POS provider as well. • Enable e-wallet holders to execute their payments for merchants through the merchants' POS. • Enable all e-wallet holders to conduct their payments via electronic mobile payment points of sale (MPOS) such as a (QR) code, regardless of the e-wallet brand. • Allow cardholders to inquire about and pay their bills electronically through eFAWATEERcom system, using POSs.
E-payment Channels	<ul style="list-style-type: none"> • Enable all banks' customers to execute cash withdrawals through ATMs, regardless of the bank owning the device. • Enable e-wallet holders to execute cash withdrawals or deposits through ATMs of banks. • Enable e-wallet holders to conduct cross-border remittances through the e-wallet application, whether for outward or inward remittances, as a result of the integration of mobile payment service providers and cross-border remittances service providers, including exchange companies.

Pillar II: The Methodology of Formulating the National E-Payments Strategy 2023-2025

- 1. The Planning Approach**
- 2. Formulation and Review of the Strategy**
- 3. The Status Quo of the NPS: SWOT Analysis**
- 4. The Success Enablers of the Strategy.**

The methodology of formulating the national e-payments strategy in Jordan 2023-2025

1. The Planning Approach

While building this strategy, the CBJ defined the vision, mission, and the strategic and operational objectives that must be implemented to achieve the national goals of the economic modernisation vision (2023-2033). To this end, the methodology to be followed was determined to achieve a comprehensive strategy through stipulating the main actions that must be implemented which are related to each operational objective, to ensure that the strategic objectives are implemented appropriately, and identifying the main KPIs that help in monitoring and tracking the progress achieved in implementing the strategy, in addition to identifying the success enablers that must be put in place to ensure the success of the strategy.



2. The Formulation and Review of the strategy:

The CBJ participated broadly with all financial and banking institutions under its oversight and supervision, and the main stakeholders from other relevant institutions to formulate this strategy. In addition, according to the CBJ's tasks and objectives, future aspirations towards the NPS were discussed and documented, as well as the approach to achieve these aspirations in harmony with the economic modernisation vision directed by His Majesty King Abdullah II Ibn Al Hussein, the executive plan for the vision (2023- 2025) and the initiatives it includes to the financial services sector, as well as the national goals and royal directives toward the transformation into a comprehensive and advanced digital economy.

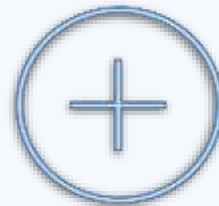
Moreover, to ensure the achievement of the strategic objectives of the NPS, operational objectives have been set to ensure the achievement of the strategic and national objectives. Attainable and measurable KPIs have also been identified when achieving the operational objectives. The review and evaluation processes for the progress will be conducted through committees formed in coordination between the CBJ and financial and banking institutions under its oversight and supervision, as well as other stakeholders to address any deviations, within the methodology of monitoring and evaluation; this strategic plan covers the years (2023-2025).

3. The status quo of the NPS (SWOT Analysis)

Based on SWOT analysis results of the brainstorming sessions held thereto, to benefit from the strengths and opportunities, and to address the weaknesses and threats, and the results of evaluating the outputs of the previous strategic plan, the CBJ conducted several brainstorming sessions dedicated for SWOT analysis for the NPS, through the committee formed to develop the strategy, which includes representatives of some financial and banking institutions under the CBJ's oversight and supervision as well as representatives of foreign companies that manage and operate IEPSs that provide their services in the Jordanian market, and competent representatives from the CBJ. These sessions were intended to address the current status and future outlook, and the most prominent strengths and weaknesses were identified, as well as opportunities and threats, the SWOT analysis results were as follows:

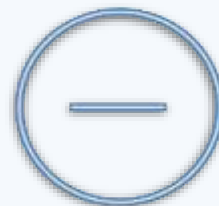
STRENGTHS

- A developed and supportive infrastructure to accept e-payments is in place.
- A supportive and flexible legislative framework to regulate e-payment transactions.
- Several financial institutions are licensed to provide e-payment services and electronic money transfer.
- Conduct financial settlements for payments through the (RTGS-JO).
- The National Financial Inclusion Strategy for the years 2023-2027.



WEAKNESSES

- Weak levels of financial awareness and financial literacy among financial consumers.
- Limited access rates to digital financial services.
- Limited use of e-payment tools and channels.
- The spread of e-payment acceptance points within a comprehensive scope that covers all regions of the Kingdom is limited.



OPPORTUNITIES

- The executive plan for the economic modernisation vision 2023-2025.
- Entities supporting innovation and development.
- Comprehensive cooperation and coordination between government institutions.
- Partnership with private sector institutions.
- Partnership with civil society organizations.



THREATS

- Resistance to change
- The high cost of e-payments sometimes.
- Failure or insufficiency in using new Fintech.



4. The Success Enablers for the Strategy:

To achieve the objectives of the National Strategy for E-Payments in Jordan 2023-2025, several key success enablers are required, namely:

• EFFECTIVE PARTICIPATION

To achieve the strategic objectives, it is essential to rely first on building and strengthening effective partnerships between official and unofficial entities, in

cooperation, coordination, and integration between the various sectors, as well as activating all available capabilities towards strengthening the e-payments system as part of the requirements of the transition to a digital economy. Accordingly, this strategy is an opportunity to embody the royal visions and government directions towards the transformation into a comprehensive and advanced digital economy, through which official entities and private sector institutions can define aspects related to their authority, areas of operating, or their responsibilities and duties towards promoting e-payment, to enhance cooperation and participation in implementing initiatives and the coordination of efforts for the optimal use of the available resources.

• **ROLES DETERMINATION**

To implement the strategy and to achieve its objectives, the roles of all relevant stakeholders involved must be defined precisely, whether official institutions or private sector institutions. Accordingly, developing the strategy and its action plan will be in participation and consensus to reach a clear, comprehensive, and integrated vision for the roles and responsibilities that ensure building a systematic framework for implementing the national strategy for e-payments in Jordan. However, it is noteworthy that the action plan may include more than one initiative that must be implemented by the relevant entity and could be related to more than one objective, and more than one stakeholder may participate in conducting the same initiative.

• **MONITORING AND EVALUATION**

Based on the action plan of the strategy, a mechanism for monitoring and evaluation will be put in place to ensure the achievement of the objectives of the strategy as intended, and to detect and correct deviations, by setting specific objectives that are measurable and attainable, and set within a specific time frame, taking into account that the monitoring and evaluation mechanism will be developed in participation approach to define KPIs in consensus to measure the extent to which the strategic objectives, results, and deliverables stipulated in the framework of the strategy are achieved.

Moreover, a steering committee and working groups will be formed in partnership between the CBJ and other institutions related to implementing the strategy, so that they follow up and evaluate the progress of achieving the strategic objectives, results, and deliverables stipulated in the framework of the strategy according to the KPIs. This is in addition to ensuring the coordination between relevant official and non-official institutions to implement the action plan and the availability of the necessary data for follow-up, and to determine the responsibility and the commitment of related parties to the roles assigned thereto.

• **PROVIDE RESOURCES**

To ensure the implementation of the strategy through its action plan, it is necessary to make the necessary resources available, whether financial or human, that are equipped to work on implementing the actions of the strategy, to ensure its implementation and reach the targeted impact, while emphasizing the importance of the availability of national financing, in addition to international financing dedicated to the implementation of the strategy.

Pillar III: The National, Strategic, and Operational Objectives of the NPS

- 1. National Objectives**
- 2. Strategic Objectives**
- 3. Operational Objectives**

The National, Strategic, and Operational Objectives of the NPS

1. National Objectives of the NPS

The economic modernisation vision is the backbone for the comprehensive reform path advocated by His Majesty King Abdullah II Ibn Al Hussein -may God protect him- aiming to release the national potentials in various fields. This aims to achieve the comprehensive and sustainable growth that provides job opportunities for Jordanians, and ensures a better standard of living for citizens.

The vision includes the main inceptions for drawing a clear road map for the future of Jordan in which the private sector would have a pivotal role in economic activity, based on two strategic pillars: accelerated economic growth, and improving the quality of life for all citizens, while sustainability is a cornerstone for this vision, to reach the priority national objectives, mainly creating one million new job opportunities for Jordanians in the labor market.








The National Strategy for E-Payments 2023-2025 reflects the commitment of the CBJ to implement the executive plan for the economic modernisation vision for the years 2023-2025, as a main pillar in the comprehensive economic modernisation project; the initiatives included in this plan which are related to the financial services sector, are as follows:






- Intensify the work toward digital transformation in the financial sector.
- Provide an appropriate environment for Fintech and innovations.
- Promote financial inclusion.
- Enhance the banking sector's ability to provide distinguished digital services.

The CBJ contends to put these initiatives into practice within the timelines specified in the above-mentioned executive plan, to contribute to achieving the general directions of the economic modernisation vision, including promoting the digital transformation and the digital economy, and for Jordan to become a leading regional hub and investment destination for Fintech, as well as to promote transforming into a digital

cashless society through using digital financial services; this is through achieving the following deliverables:

#	Indicator	The indicator components	Base Year	Value	Actual Value	Target for 2025
1	The rate of substitution of e-payments from cash payments	<ul style="list-style-type: none"> - The values of e-money issued by banks and payment companies using cards and e-wallets. - The value of cash in circulation. 	2022	PERCENTAGE%	41%	↑ 70%
2	The growth rate of e-payments in percent of Gross Domestic Product (GDP)	<ul style="list-style-type: none"> - The amounts of e-payments carried out through eFAWATEERcom and CliQ systems and cards, for purchasing goods and services. - GDP value. 	2022	PERCENTAGE%	44%	↑ 80%
3	The growth rate of government e-payments relative to cash payments	<ul style="list-style-type: none"> - Values of payments collected electronically to government institutions subject to the general budget through eFAWATEERcom and POSs. - Total domestic public revenues collected. 	2022	PERCENTAGE%	68%	↑ 100%
4	High level of full compatibility and interoperability of the NPS components	<ul style="list-style-type: none"> - Interoperability of retail payment systems. - Access to and participation in retail payment systems. - The acceptance of payment instruments in e-payment channels, regardless of their provider. - The level of interoperability among PSPs, including banks. 	2022	PERCENTAGE%	85%	↑ 100%
5	Increasing the spread of e-wallets	The number of e-money accounts opened with mobile payment service providers.	2022	NUMBER	2.05 M	↑ 3 M
6	Increasing the spread of all types of payment cards (debit / credit / prepaid)	The number of e-payment cards issued by all banks and e-payment companies.	2022	NUMBER	5.7 M	↑ 7 M

7	Increasing the spread of all forms of POSs (physical / digital)	The number of POSs at the government and business institutions, given that each institution is a POS, regardless of the number of devices installed in it.	2022	NUMBER	69 K	 115 K
8	High volume of payment transactions executed on POSs	The total value of payment transactions executed on POSs via payment means and instruments such as cards or mobile applications.	2022	VALUE	3.8 B	 7.6 B
9	Increase in the number of users of CliQ system	The number of users registered in CliQ system, whether they are bank customers or e-payment companies customers.	2022	NUMBER	2.56 M	 5 M
10	Increase in the volume of payment transactions executed through CliQ system	The total value of payment transactions executed through the CliQ system by customers of banks and e-payment companies.	2022	VALUE	2.7 B	 5 B
11	Increase in the number of eFAWATEERcom users	The number of users registered in the eFAWATEERcom system, whether they are bank customers, e-payment companies customers, or customers of any other service provider.	2022	NUMBER	3.6 M	 5 M
12	Increase in the volume of payment transactions executed through the “eFAWATEERcom” system	The total value of payment transactions executed through eFAWATEERcom system by customers of banks, e-payment companies, or any other service provider.	2022	VALUE	10.5 B	 14 B
13	Decrease in the volume of cash withdrawals through ATMs	The total value of cash withdrawals conducted via ATMs by bank customers using their cards or by e-payment companies customers using their cards or e-wallets.	2022	VALUE	15.3 B	 10 B

14	Decrease in the volume of checks submitted for collection through the "ECCU" system	The total values of checks drawn on other banks through the Electronic Check Clearing System (ECCU).	2022	VALUE	40.8 B	 30 B
15	The increase in the number of FinTech companies providing financial and banking services subject to the CBJ's oversight and supervision	<ul style="list-style-type: none"> - The number of e-payment companies licensed by the CBJ. - The number of new e-payment companies to be licensed by the CBJ. - The number of Fintech companies that were accredited by the regulatory Sandbox. 	2022	NUMBER	15	 35
16	Authorizing/licensing new companies to provide financial and banking application interface services	<ul style="list-style-type: none"> - The number of companies licensed by the CBJ that were allowed to provide financial and banking application interface services. - The number of companies that have been outsourced by banks and other financial institutions to provide financial and banking application interface services. 	2022	NUMBER	0	 5
17	Authorizing new regulatory sandboxes to test innovations in Fintech in the context of understanding	The number of regulatory sandboxes which signed an MOU with the CBJ to provide services for testing Fintech innovations in the Kingdom.	2022	NUMBER	0	 2
18	Graduation of new entrepreneurial projects from the regulatory Sandbox	The number of entrepreneurial projects that submitted applications to the regulatory sandbox and were accepted and graduated.	2022	NUMBER	0	 15

2. THE STRATEGIC OBJECTIVES OF THE NPS

Based on the initiatives of the economic modernisation vision related to the financial services sector, namely; increasing the work towards digital transformation in the financial sector, providing an appropriate environment for promoting Fintech and related innovations, enhancing financial inclusion, and enhancing the money exchange sector's ability to provide featured digital services, the CBJ put in place clear strategic objectives that align with its main objectives and tasks stipulated in its law. Furthermore, these objectives align with other national strategies, mainly the National Digital Transformation Strategy (2021-2025), in addition to simulating the strategic objectives of several international central banks to keep abreast of developments and best practices conducted by counterpart central banks in e-payment, and Fintech and related innovations.

Accordingly, the National Strategy for E-Payments in Jordan (2023-2025) is based on five strategic objectives as basic pillars that seek to promote digital transformation and the digital economy, set Jordan as a leading regional hub and investment destination for Fintech, and promote the transition to a digital cashless society through using digital financial services.



- **Strengthen the Oversight, Supervisory, and Legislative Framework of the NPS**

The oversight, supervisory, and legislative framework for the NPS is concerned with managing risks related to payment systems and services by the regulator (CBJ), to enhance the safety and efficiency standards for payment systems and services as one of the main components of the Jordanian financial system that contributes to achieving its stability.

This framework also enables the CBJ and enhances its capacity to monitor and adapt to existing and planned payment systems and services as necessary. However, to strengthen this framework, the CBJ continues its measures to build the capacity of its human resources and other workers in the national payments sector, reviewing the oversight, supervisory, and legislative framework to embrace current market developments and new business models in light of current developments and modern Fintech, and maintaining continued cooperation with all relevant stakeholders to ensure the comprehensiveness of the oversight, supervisory, and legislative framework, including strengthening the cooperation with other relevant national and regional regulatory entities.

In addition, enhancing this framework by making it more comprehensive will help in providing an enabling regulatory and supervisory environment for existing and new PSPs and PSOs, in addition to protecting financial consumers, whether individuals or businesses, including the government sector.

- **Facilitate and Support the Transformation to A Digital Cashless Economy in the Kingdom**

The transition towards a cashless digital economy in the Kingdom requires developing the infrastructure that supports e-payments and digitizing supporting systems and services, whether in the front or back interfaces. This contributes to increasing the impact of the e-payment infrastructure, including using government payment flows to facilitate growth in the volume of e-payments and innovation in retail payments, benefiting from government and private sector initiatives to raise financial awareness and literacy about e-payments and provide value-added payment products and services that meet the needs and desires of financial consumers.

Furthermore, the customer's experience, the payment interfaces available to users, the convenience and ease of executing payment transactions, and the associated lower costs (for both the customer and the merchant) are crucial elements that can accelerate or deter the growth of e-payments if they are not controlled effectively.

It is noteworthy that using e-payments by citizens rather than cash in payment transactions will mainly contribute to achieve a number of objectives, namely; create a historical record of customer transactions that enables him/ her to improve the access to financial services and products, reduce the risks and costs of carrying cash, reduce the costs of cash management in the economy, reduce tax evasion, enhance the financial inclusion, and reduce the counterfeit money and its impact on financial transactions and the entire economy.

- **Support and enable Innovation Environment in the NPS**

Creating an appropriate and supportive environment for innovation in e-payment systems and services will enhance its reliability. Despite the developments in e-payment in the Jordanian market in recent years, such as availing the systems for providing electronic transfer services, including instant payments and electronic bill payment, as well as providing internet and mobile applications to conduct payments and financial transfers anytime and anywhere, as well as the provision and management of e-money accounts, yet, creating a new generation of innovations and related products is essential, for example managing small savings and small credit loans for consumption purposes, cross-border payments, etc., that contribute to a financially inclusive economy.

It is noteworthy, that although the use of e-wallets via mobile phone applications for e-payment and electronic transfers increased, there is a need to make additional efforts to enhance usage, especially amid the dynamic developments in IT and communication which triggered the emergence of several new products in providing payment services such QR code and contactless or Near Field Communication (NFC) payments.

- **Support the Access to and Integration in the NPS**

The provision of payment services in the Kingdom is primarily concentrated in the capital Amman, followed by the centers of some other cities, while the distant villages of the capital and other cities, remote areas, and rural areas still suffer from the limited e-payment services, whether in terms of availability of payment instruments or e-payment acceptance points, or the use of e-payment. Despite strengthening the network of agents, POSs, and ATMs in those areas by some payment companies, the services provided are limited to sub-services such as depositing, withdrawals, and paying bills.

On another front, financial inclusion rates in the Kingdom stood at (50%) by the end of 2020, up from (33.1%) of the Kingdom's population who reached the age of (15) years, yet they are still modest when compared to the ambitions regarding the transformation to a comprehensive and advanced digital economy. Moreover, the financial exclusion rates for women and gender gap are relatively high compared to the segments of the local society; the gender gap was reduced from (53%) to (29%) by the end of 2020

according to the financial inclusion strategy (2018-2020). Subsequently, this requires to further promoting the financial access through upgrading and creating the appropriate digital infrastructure, providing attractive value-added products and services that meet the daily payment needs of financial consumers, stimulating the demand side for e-payment services by creating appropriate incentives, and creating an enabling environment to handle e-payments through creating appropriate and fair pricing structures for payment services.

- **Strengthen the Soundness and Efficiency of the NPS Infrastructure**

E-payment systems and services in the Kingdom experienced a paradigm shift and several achievements were realized since the development of the National Strategy for Payment and Settlement Systems (2013-2016), as a number of retail payment systems for instant local transfers, bills payments, and commercial sector payments were introduced, as well as availing the use of e-money, opening e-payment accounts, and increasing the use of Internet portals and mobile applications such as e-wallets to conduct electronic transfers and e-payments, in addition to licensing and accrediting several companies in the Jordanian market to provide payment services, to enhance competition in providing these services, and to contribute to paving the way towards the transition to e-payments.

With respect to retail payments, the CBJ, in coordination and cooperation with PSPs, including banks, was keen to achieve the integration and interoperability between e-payment systems, instruments, and channels, including the ATMs, which currently offer cash withdrawals and depositing services from e-money accounts provided by mobile payment companies, as well as POSs located throughout the Kingdom which accept all payment cards issued by various financial and banking institutions under the CBJ's supervision, in addition to mobile payment acceptance points such as the QR code.

Nonetheless, there is an urgent need to achieve more integration and interoperability between payment systems, instruments, and channels, to meet the requirements of transformation into a comprehensive and advanced digital economy. This is attainable through several relevant strategic techniques namely; ensuring the credibility and soundness of the e-payment infrastructure, strengthening the unified payment interfaces and platforms that are capable to interoperate and integrate with various payment systems, instruments, and channels, as well as enhancing the operational efficiency and effectiveness of payment and clearing systems for transfers and payments.

3. The Operational Objectives of the NPS:

The strategic objectives that the CBJ aspires to achieve in cooperation with relevant stakeholders encompass operational objectives that will be achieved within the strategy

timeline (2023-2025). These objectives were determined based on the SWOT analysis, through benefiting from the strengths and opportunities, addressing the weaknesses, and warding off the threats or mitigating their impact if they occur. This is in addition to the outcomes of the brainstorming sessions with representatives of the national payments sector (banks, electronic payment and money transfer companies, and international payment cards companies) according to the market's needs and requirements, the practices, and the feedback from periodic meetings with the representatives of the NPS, the outputs of the CBJ's oversight and supervision function on the NPS, in addition to the initiatives of the economic modernisation vision and its executive plan for the years (2023-2025), as well as the government orientation towards digital transformation in accordance with other national strategies.

Furthermore, operational objectives are SMART as they are specific, measurable, achievable, and time-bound. To ensure that these objectives are attainable, the strategy was shared with the representatives of the national payments sector from all banks, and electronic payment and money transfer companies to give feedback thereto. In addition, clear, understandable, and measurable KPIs were identified for each operational objective under an action plan for the strategy, to evaluate the progress in achieving each operational objective, as well as identifying and interpreting the deviations and explaining the justifications. In addition, key success enablers for achieving operational objectives have also been identified. Next is a synopsis of the operational objectives against each strategic objective:

Strategic Objective I: Strengthen the Oversight, Supervisory, and Legislative Framework of the NPS

This strategic objective encompasses four operational objectives as follows:

- 1) Review the legislative framework of the NPS to ensure that it achieves the appropriate flexibility, supports businesses, and enhances legislative certainty in providing e-payment services.
- 2) Enhancing and building the capacity of human resources.
- 3) Enhancing the national cooperation with the institutions of the e-payment sector.
- 4) Strengthen the cooperation with national and regional regulatory authorities.

- **Review the legislative framework of the NPS to ensure that it achieves the appropriate flexibility, supports businesses, and enhances the legislative certainty in providing e-payment services.**

The CBJ is entitled to ensure that a proper legislative framework is in place; to enhance the legal certainty of the e-payment infrastructure in the Kingdom through the foundation of a sound regulatory, oversight, and supervisory framework for e-

payment systems and services. The CBJ's mandate in regulating the NPS relies on two basic laws, namely; amended Central Bank of Jordan Law No. (24) of 2016, and the Electronic Transactions Law No. (15) of 2015.

Article (4) of the CBJ law entitles the CBJ to assume regulating and developing the NPS to ensure the provision of safe and efficient systems for payment, clearing, and settlement in the Kingdom. Furthermore, Article (50) of the same law defines the jurisdictions of the CBJ to supervise and oversee the NPS, whereas, Article (22) of the Electronic Transactions Law requires that all electronic payment and money transfer companies are subject to the CBJ's licensing, supervision, and oversight.

ACTIONS	<ul style="list-style-type: none"> • Review and evaluate the legislative framework for the NPS, and use the evaluation outputs to address regulatory imbalances in the e-payments market, and put in place more new regulatory rules that have an impact on raising the efficiency and effectiveness of providing e-payment services in the Kingdom. • Put in place the necessary legislative tools to set the rules for operating e-payment systems managed by exchange companies to provide electronic money transfer services and the criteria for participating in these systems in a manner that supports and enhances the enabling infrastructure in accordance with relevant international principles. • Set the necessary legislative tools to support and promote the use of cutting-edge technologies and related innovations in providing e-payment services, which balances between supporting innovation and managing associated risks, in line with international principles and practices.
KPIs	<ul style="list-style-type: none"> • Review and evaluate the legislative framework of the NPS, and address the regulatory imbalances in the e-payments market according to the outputs of the review and evaluation by issuing new regulatory rules or amending the enacted regulatory instructions wherever deemed necessary. • Enact the regulatory instructions for operating e-payment systems managed by exchange companies to provide electronic money transfer services and set the criteria for participation. • Issue appropriate legislative tools to regulate the use of cutting-edge Fintech and related innovations wherever necessary in accordance with market requirements and the technology used.
EXPECTED OUTCOMES	<ul style="list-style-type: none"> • Put in place a flexible legislative framework that supports the NPS, enhances the interaction with changes in the retail

	<p>payments market, new business models, and modern Fintech and related innovations, and balances between innovation and risk management.</p> <ul style="list-style-type: none"> • The provision of more e-payment products and services based on the use of modern Fintech and related innovations in the retail payments market.
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• Enhancing and Building the Capacity of Human Resources

As a regulator of the national payments sector, the CBJ is keeping abreast with the rapid changes in innovation and new business models and controlling the inherent risks associated with e-payment systems and services that arise from new business models, new payment channels and instruments, emerging PSPs in the market, and innovations related to the cutting-edge FinTech. Therefore, it is necessary to continuously enhance the capabilities of relevant human resources, whether the CBJ's human resources or the institutions operating in the national payments sector, including PSPs and PSOs. This will help the CBJ's functional structures to build a proper understanding of the NPS's components, hence, setting the regulatory rules and conducting the oversight and supervisory functions efficiently and effectively. This is in addition to strengthening the capabilities of the functional structures of existing financial institutions in the national payments sector to enable them conducting their businesses and operations, as well as managing their current and future risks, and limiting and reducing those risks appropriately in a way that supports the continuity and sustainability of their businesses.

ACTIONS	<ul style="list-style-type: none"> • Identify the knowledge gaps related to the components of the NPS, including modern Fintech and related innovations, among employees in the payments sector. • Raising the levels of knowledge about the components of the NPS, and new Fintech and related innovations among employees in the payments sector. • Planning to convene a regular forum that brings together workers in the payments sector and other relevant stakeholders, to discuss issues and developments related to e-payments, and modern Fintech and related innovations.
KPIs	<ul style="list-style-type: none"> • Conducting a survey targeting PSPs and PSOs to assess the knowledge among their employees regarding the NPS components, and modern Fintech and related innovations, as well as identifying the knowledge gaps thereto.

	<ul style="list-style-type: none"> • Put in place and implement an overarching annual training plan targeting workers in the national payments sector, about the main topics of e-payment systems, services, and products, and modern technologies and related innovations, according to the survey results. • Convene a periodic forum to bring together workers in the payments sector and other relevant entities on issues and developments related to e-payments and modern Fintech and related innovations.
EXPECTED OUTCOMES	<ul style="list-style-type: none"> • Building and strengthening the capabilities of employees in the payments sector and enhancing their knowledge about e-payment, and modern Fintech and related innovations. • Adapting and effectively keeping abreast of developments in e-payment, and modern Fintech and related innovations, which supports the businesses and their sustainability.

- **Enhancing the National Cooperation with the Institutions of the E-Payment Sector**

The cooperation is an important tool for enhancing the participation in the payments sector and a supportive tool for improving the efficiency and effectiveness in providing and improving payment services in the retail payments market in a targeted and sustainable manner. In addition, it is one of the main channels for enhancing compliance standards with regulatory rules.

The cooperation requires building a strong relationship between the CBJ as a regulator of the national payments sector and the participants in the e-payment system such as PSPs and PSOs including banks, electronic payment and money transfer companies, exchange companies, and other relevant entities. This is essential to enable a dialogue, participation, and consultation to determine the priorities necessary to develop retail payment systems and services and to promote e-payments within the scope of compatibility and interoperability.

ACTIONS	<ul style="list-style-type: none"> • Reactivation of the National Payments Council (NPC) to include all financial institutions subject to the CBJ's oversight and supervision, including banks and other PSPs and PSOs licensed and accredited in the Kingdom and any entities related to the NPS components.
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	<ul style="list-style-type: none"> Studying the introduction of a legislative framework or regulatory arrangements that enable establishing an association for PSPs and PSOs.
KPIs	<ul style="list-style-type: none"> Review and amend the regulatory framework of the NPC to ensure the participation of all financial institutions subject to the CBJ's oversight and supervision, including banks and other PSPs, and PSOs licensed and accredited in the Kingdom, in addition to the representation of government institutions related to the NPS components in the Council. Enact a legislative framework or any form of regulatory arrangement that supports and regulates the establishment of an association for PSPs and PSOs.
EXPECTED OUTCOMES	<ul style="list-style-type: none"> Create a framework for cooperation and partnership between PSPs and PSOs regarding the issues related to e-payment services. Enhance the timely addressing of issues related to e-payment services, including enhancing the scope of compatibility and interoperability.

- Strengthen the Cooperation with National and Regional Regulatory Authorities**

The cooperation between the national regulatory authorities in the Kingdom facilitates and supports the operation of retail payment systems and services, and improves their businesses across various sectors, whether business, government, or individuals. The Ministry of Digital Economy and Entrepreneurship and the Income and Sales Tax Department are among the most vital public institutions that play a significant role thereof. This is through aligning the objectives towards developing retail payment systems and services to meet the needs of the government sector and achieving the national vision of creating a comprehensive and advanced digital economy.

Moreover, in order to facilitate the flow of cross-border e-payments, it is also important to build and strengthen cooperation with counterpart regulators such as central banks or monetary authorities in the region, especially those relating with the Kingdom in providing e-payment services or electronic money transfer.

ACTIONS	<ul style="list-style-type: none"> • Expand the scope of prior understanding between the CBJ and the governmental regulatory institutions related to the NPS components, to strengthen and broaden the cooperation and coordination in a way that supports the provision of e-payment services efficiently and effectively taking into account the safety and reliability standards. • Expand the scope of prior understanding between the CBJ and the regional counterparts such as central banks or monetary authorities, especially countries related to Jordan in cross-border e-payment and electronic transfer services, to enhance the oversight and supervision on the NPS, and to enhance the provision of cross-border e-payment services and products considering the safety and efficiency standards.
KPIs	<ul style="list-style-type: none"> • Conclude an MOU between the CBJ and the Ministry of Digital Economy and Entrepreneurship that addresses several areas, namely; developing governmental e-payments, cooperating in building unified national standards for using modern Fintech, enabling PSPs to access national databases electronically to fulfill the electronic Know Your Customer (eKYC) requirements, establishing a digital financial identity, discussing data security issues, and others. • Conclude an MOU between the CBJ and the Income and Sales Tax Department that addresses several issues, namely; cooperation in combating tax evasion offense, providing tax incentives in a way that enhances the reliability of e-payments, and other related issues. • Sign an MOU with counterpart central banks and monetary authorities in the region to ensure appropriate cooperation and coordination in the oversight and supervision of cross-border e-payments areas, and to enhance the provision of cross-border e-payment services and products considering the standards of safety and efficiency.
EXPECTED OUTCOMES	<ul style="list-style-type: none"> • Enhance the efficiency and effectiveness of government payments infrastructure.

- Enhance combating financial crimes.
- The widespread, use, and acceptance of e-payments among various business sectors
- Strengthen the supervisory and oversight scope on the NPS, enhance the provision of cross-border e-payment services and products considering the safety and efficiency standards, and support executing cross-border business transactions.

Strategic Objective II: Facilitate and Support the Transformation to A Digital Cashless Economy in the Kingdom

This strategic objective encompasses three operational objectives as follows:

- 1) Enhance the impact of the e-payments infrastructure through increasing payment instruments and means and their acceptance points.
- 2) Increase the volume of government e-payments to promote growth in the retail payment infrastructure (G2G, G2B, G2P, P2G).
- 3) Promote financial awareness and literacy about e-payments, and encourage innovative business models that provide strong opportunities for merchants and financial consumers to use e-payments.

- **Enhance the impact of the e-payments infrastructure through increasing payment instruments and means and their acceptance points**

The increase in the demand and supply stimulators for e-payments is essential in supporting and building the infrastructure for e-payments; this requires putting in place supportive and stimulating policies and procedures to promote e-payment acceptance points in a comprehensive manner that covers all regions in the Kingdom, as e-payment acceptance points are currently concentrated in Amman, which calls for strengthening the objective of ensuring the spread of more e-payment acceptance points in all other governorates.

However, this considers that unifying the strategic direction of the government in enforcing the acceptance of e-payment in the business sectors under its regulation, will increase the demand impetus for accepting retail e-payments, thus contributing to creating good opportunities for the PSPs in the increasing investment in spreading the points of acceptance of e-payments in all regions of the Kingdom.

ACTIONS

- Coordination between the CBJ, regulatory authorities, trade unions, and chambers of commerce regarding stimulating and enhancing the acceptance of e-payments and the deployment of POSs at business sector institutions; this allows PSPs to invest in

	<p>spreading and expanding the infrastructure supporting the acceptance of e-payments.</p> <ul style="list-style-type: none"> • Coordination between the CBJ and the Income and Sales Tax Department to study the feasibility of developing a program for tax discounts and incentives for PSPs and financial consumers, whether customers or business sectors, for using and accepting e-payments. • Enhancing the disposition towards developing and approving financial or physical incentive programs by PSPs for financial consumers and business sectors to encourage them using and accepting e-payments. • Using of cutting-edge Fintech and related innovations in conducting and accepting e-payments such as mobile phone applications, QR codes, or contactless payments. This will reduce the capital and operational costs for PSPs, which is reflected on the cost of accepting e-payment, and match the different needs of the business sectors in accepting e-payment for their services provided to customers. • Enhancing the scope of disseminating e-payment instruments and acceptance points, in consistency with various business sectors, and in accordance with the financial consumer behavior, in a comprehensive manner that covers all regions in the Kingdom, and serves all segments of the local community, including women.
KPIs	<ul style="list-style-type: none"> • Put in place a general policy or any form of regulatory arrangement that supports the adoption of an integrated system for accepting e-payments by business sector institutions, in consensus between the CBJ, regulatory authorities, trade unions, and chambers of commerce in the Kingdom. • Launch a program for tax discounts and incentives for business sectors and financial consumers to encourage the use and acceptance of e-payments, in consensus between the CBJ and the Income and Sales Tax Department. • The PSPs announce setting the programs that provide financial and material incentives to financial consumers and merchants for using and accepting e-payments, including rolling out initiatives thereto. • Increase the number of e-payment acceptance points, including those based on modern Fintech and related innovations (Soft POS, QR, NFC), taking into account their spread in all governorates in

	the Kingdom according to the number of residents in each governorate, and their suitability for merchants' payments.
Expected Outcomes	<ul style="list-style-type: none"> • An increase in the use and acceptance of e-payments and a decrease in cash transactions in the retail payment market. • An increase in the number of e-payment acceptance points in a comprehensive manner, which cover all regions in the Kingdom and all different business sectors.

- **Increase the Volume of Government E-payments to Promote the Growth in the Retail Payments Infrastructure**

Government payments constitute a large percentage of the GDP; they are classified into different types; payments between government institutions (G2G), payments from the government to people (G2P) including salaries, incentives, social aids, social security payments, tax refunds, and others, payments from the government to the private sector institutions (G2B) such as tax refunds for companies, payments for government purchases and services, or utilities such as electricity, water, etc., payments from persons to the government (P2G) such as payments of taxes, fees, fines, and social security subscriptions, and corporate payments to the government (B2G) such as registration fees and taxes.

However, using e-payments instruments for government inward and outward payments rather than cash, will contribute to improve cost savings significantly at all levels of the national economy. In addition, the effective use of government e-payments will enhance financial inclusion in the Kingdom in particular in (G2P) payments, and create the infrastructure supporting the acceptance of e-payments in all economic sectors in the Kingdom.

ACTIONS	<ul style="list-style-type: none"> • Paving the way for government institutions towards digitizing backend government payments and for all types of payments, whether inward or outward (G2G, G2B, G2P, P2G, and B2G) and their integration within the front-end with e-payment systems, instruments, and means provided by PSPs licensed by the CBJ. • Collecting the government revenues or executing the payments of governmental institutions electronically through e-payment systems, instruments, and means operating in the Jordanian market which are provided by PSPs licensed by the CBJ.
KPIs	<ul style="list-style-type: none"> • The Ministry of Digital Economy and Entrepreneurship finalizes digitizing the backend and front-end of government institutions to handle e-payments and their integration with e-payment systems,

	<p>instruments, and means licensed and approved by the CBJ in a coordinative manner, in particular with the CBJ.</p> <ul style="list-style-type: none"> • Issuing the necessary announcements for government institutions to transform to e-payments when collecting their revenues or conducting their payments within a plan designated thereto. • Executing inward and outward government payments electronically using e-payment systems, instruments, and means. • Developing the necessary banking channels for the CBJ's clients of government institutions so that they can execute their payment transactions electronically.
Expected Outcomes	<ul style="list-style-type: none"> • Increasing the efficiency and effectiveness of the infrastructure for government e-payments, and supporting the implementation of e-government program in an integrated manner. • Reducing the costs of managing government payments. • High levels of financial inclusion and the transition towards a digital economy in the Kingdom.

• **Promote Financial Awareness and Literacy about E-payments, and Encourage Innovative Business Models that Provide strong opportunities for Merchants and Financial Consumers to Use E-payments**

Promoting financial awareness and literacy is a major pillar that simplifies information and correct understanding to the financial consumers about e-payment systems and services and related products and services, including multiple options for safe and user-friendly e-payments, as financial awareness and literacy is crucial in promoting financial inclusion and moving towards cashless societies.

In addition, regardless of the financial consumers' educational levels, abandon the use and the improper use of e-payments will contribute to create a misconception about the benefits and importance of e-payments, which deters the participation and engagement in the e-payment system. For example, despite the high discount commissions provided for merchants to accept e-payments, the easy and understandable way for delivering the added value from accepting e-payments to merchants creates an incentive for merchants and consumers to accept e-payments. This is because of the benefits of using e-payments, which exceeds the cost paid for using them.

ACTIONS	<ul style="list-style-type: none"> • Develop an action plan to raise the financial awareness and literacy for financial consumers (individuals), including merchants and various business sectors, about e-payments, which covers all segments of the local community.
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	<ul style="list-style-type: none"> • Examine the foundation of a general electronic platform for knowledge management about e-payments, promoting financial awareness and literacy thereon, and receiving and handling complaints and proposals received in this regard, to enhance confidence in e-payments. • Conduct periodic surveys to assess the confidence levels in e-payments and the financial awareness and literacy about e-payments. • Cooperate with active entities in the private and governmental sectors to provide programs dedicated to promote the financial awareness and literacy about e-payments to financial consumers and merchants, to improve public confidence in using e-payments in accordance with the above action plan. • Direct financial and banking institutions to roll out promotional campaigns to raise the financial awareness and literacy about e-payments, to enhance the use and acceptance of e-payments in the retail payment market.
KPIs	<ul style="list-style-type: none"> • Put in place a strategic plan to enhance the financial awareness and literacy about e-payments. • Develop and launch a general electronic platform dedicated for knowledge management about e-payments, promoting financial awareness and literacy about e-payments, and receiving and handling complaints and suggestions thereof. • Conduct periodic surveys (on an annual basis) to assess the levels of financial awareness and literacy about e-payments. • Conduct awareness campaigns in collaboration with representatives from the private sector and the government sector about e-payments. • Conduct promotional campaigns by financial and banking institutions aimed at raising the financial awareness and literacy about the use and acceptance of e-payments.
Expected Outcomes	<ul style="list-style-type: none"> • Raising the financial awareness and literacy about e-payments. • Increasing the reliability and trust in e-payments. • High rates of use and acceptance of e-payments. • Increasing rates of financial inclusion in the Kingdom.

Strategic objective III: Enhance and Enable the Innovation Environment in the NPS

This strategic objective includes one operational objective namely:

“Creating and strengthening the infrastructure and regulatory framework that support innovation in e-payments”

Innovation in the NPS involves developments that increase the access to all forms of e-payments, taking into consideration the standards of quality and sustainability. However, innovation is valid for several aspects regarding the NPS components, including the infrastructure, clearing and settlements transactions, the payment instruments and channels, as well as products and services provided for financial consumers.

The CBJ is entitled to regulate the NPS taking into consideration the standards of efficiency and effectiveness. To this end, the CBJ continues to facilitate new payment solutions and to adopt and support cutting-edge innovations that use new technologies to provide modern payment services and products that keep pace with the developments, and meet the desires and needs of the financial consumers in the market in an effective and affordable manner. This is in addition to embrace the new risks and threats arising from the use of cutting-edge technologies, especially the systemic ones that are hard to mitigate.

Therefore, this requires strengthening the infrastructure and regulatory framework in a way that encourages innovation in the payments industry, especially in light of the new technologies which changed the way the PSPs are offering their services and products in the retail payment market, which are based on new business models. The CBJ in particular, will undertake an approach for testing according to clearly defined criteria in order to ensure that innovation will not trigger vulnerabilities to accumulate in the payments ecosystems, and will not cause instability, or expose customers to undue risks.

ACTIONS

- Enhancing the legislative and regulatory framework that stimulates the use of cutting-edge technologies and innovation in a manner that balances between supporting new innovations and reducing the risks associated thereto.
- Providing the infrastructure that supports innovation and entrepreneurship, whether in terms of the regulatory environment or the technical and technological environment.
- Promote the use and application of Fintech and innovations in the financial sector.

	<ul style="list-style-type: none"> • Enhancing the learning, training, and capacity building in the areas of innovations. • Strengthen the cooperation and partnership between stakeholders to stimulate innovation.
KPIs	<ul style="list-style-type: none"> • Restructuring and governance of Fintech management in a way that enhances the role and effectiveness of the Regulatory Sandbox and FinTech Labs in partnership and fair competition between the CBJ and the private sector. • Put in place the regulatory framework for the governance of the Fintech and innovations environment in the financial sector. • Formulation of a steering committee for Fintech and innovation concerned with proposing legislative and regulatory projects, and drawing up and following up the general policies, strategies, and action plans related to Fintech and innovation. • Establish FinTech Labs in the financial sector. • Enact governing legislations, including unified standards, regulatory frameworks, and guiding manuals for the use of modern technologies and related innovations, such as (Distributed Ledger Technology, and Open Banking). • Provide necessary tax incentives for Fintech companies. • Establish partnerships with relevant stakeholders, including scientific research institutions and other development partners, to enhance cooperation in promoting scientific research, learning, training, capacity building, and dissemination of knowledge related to modern technologies and related innovations. • The foundation of an electronic platform or communication channels that bring together the owners of innovative solutions projects that have been tested and graduated from the Regulatory sandbox to be introduced to stakeholders and development partners so they can support, adopt, or invest in these projects. • Conclude MOUs between the CBJ and any of the counterpart central banks to enhance cooperation and coordination in Fintech and innovations fields.
Expected Outcomes	<ul style="list-style-type: none"> • Provide a flexible and supportive regulatory and legislative ecosystem for Fintech and innovation. • An increase in the number of new Fintech companies. • An increase in the number of academic and training programs related to Fintech and innovation.

- An increase in the number of entrepreneurial projects and creative ideas that were accepted/ graduated from the Regulatory Sandbox of the CBJ.
- Authorize companies to provide services of financial APIs and open banking.

Strategic Objective IV: Enhance the Access to and Integration in the NPS

This objective includes three operational objectives, as follows:

- 1) facilitating open and risk-based financial access; in a comprehensive framework that covers all regions in the Kingdom and various segments of the population and considers objectivity and fair distribution as well.
 - 2) Adapting the pricing of payment services structures in a manner that enhances affordability taking into consideration fairness and transparency standards in the market.
 - 3) Providing value-added payment products and services that meet the needs of the financial consumer.
- **Facilitating open and risk-based financial access, in a comprehensive framework that covers all regions in the Kingdom and various segments of the population and considers objectivity and fair distribution as well**

The participation of non-banking financial institutions operating in the Kingdom within the NPS components is crucial for supporting the objectives of financial inclusion, as it effectively links rural or remote areas that suffer from a lack of convenient and available financial access with urban areas that deal with banks and benefit from the services and products they provide.

Therefore, non-banking financial institutions such as financing companies, electronic payment and money transfer companies that issue e-money, and providers of electronic funds collection services and other payment and electronic money transfer services will play a vital role in light of the compatibility, interoperability, and access and on an objective, risk-based, and open basis.

For example, financing companies provide and deliver credit to their clients in rural and remote areas through e-payment accounts linked to prepaid payment instruments such as e-wallets and prepaid cards associated with these accounts which are provided by e-money issuers, within partnerships established thereto, will enable residents of rural and remote areas, whether men or women, to integrate into the e-payment ecosystem and support them in carrying out their payments and financial transfers electronically. This is in addition to accepting their payments at the widespread POSs, which contributes to

strengthening the e-payment ecosystem and supports the tendency toward establishing a cashless society based on e-payment.

ACTIONS	<ul style="list-style-type: none"> • Conduct the necessary arrangements to improve the provision of e-payment services by allowing licensed exchange companies to provide payment services, including the issuance and management of e-money (opening e-money accounts). • Expand the scope of the participation of the financial institutions subject to the CBJ's oversight and supervision in providing payment services on behalf of the PSPs through Agency. • Enhance the efficiency and effectiveness of opening and dealing with payment accounts electronically, including the provision of related services without the need of customers' presence in person, via electronic means. • Conduct arrangements to enhance the dissemination of e-payment acceptance instruments and points in a comprehensive manner that covers all governorates of the Kingdom and all segments of Jordanian society, and emphasizes remote and rural areas, including women, through conducting the arrangements that target these groups.
KPIs	<ul style="list-style-type: none"> • Issuing the regulatory framework to allow exchange companies to provide e-payment services, including the issuance and management of e-money (opening e-money accounts). • Conduct agency partnerships between financial institutions subject to the CBJ's supervision and the PSPs to provide payment services on an agency basis (agency business), including insurance companies, financing companies, and exchange companies. • The spread of electronic means such as (Kiosks, POSs) to enable customers to provide services related to e-payment accounts through these means. • Increase the number of e-payment acceptance instruments and points located in the Kingdom's governorates, particularly in rural or remote areas. • Increase women's participation and integration in the e-payment ecosystem through increasing the number of payment accounts they own, and the number of payment transactions they carry out.
Expected Outcomes	<ul style="list-style-type: none"> • The increase in the levels of financial inclusion in the Kingdom taking into account the standards of access, use, and quality.

- The increase in the number of e-payment instruments and channels, and the increase in the number of their users.
- Reduce the gender gap in terms of access and use of e-payments.

- **Adapting the pricing of payment services structures in a manner that enhances affordability taking into consideration fairness and transparency standards in the market**

Despite the accelerating use of e-payments due to the policies taken thereof, mainly government payments, and especially during the COVID-19 pandemic, yet obstacles that limit using and accepting e-payments are still existing, this is in terms of merchants, business sectors, and financial consumers in general, which deter the overall use and acceptance of e-payments.

These obstacles are mainly; the PSPs being using unclear and costly commission pricing mechanisms for e-payment transactions, which burdens the financial consumer and discourages the use of e-payments, in addition to certain speculative practices conducted by some PSPs regarding the commissions, which in turn leads to creating unfair competition, especially in light of the significant discrepancy of commissions charged on financial transactions in the retail payments market, and on some important payment instruments.

Accordingly, it is essential to review the current and anticipated rates for commissions charged on e-payments provided to customers, to determine whether the relevant prices and costs are in line with the market and the capabilities of the financial consumer and business sectors and enhance the clarity and transparency. Therefore, it is necessary to adapt the structures of those commissions -wherever necessary- to reach a certain level of maturity in the retail payments market, taking into account that pricing structures are reviewed regularly or whenever needed, in participation between all parties operating in the e-payment ecosystem.

ACTIONS

- To examine and review commission pricing structures for various e-payment services in the retail payment market.
- Re-pricing of e-payment services -wherever necessary- in a way that guarantees the access to a low-cost range of payment services which achieves fairness and transparency for all parties in the e-payment ecosystem, according to the outputs of the market study.

KPIs	<ul style="list-style-type: none"> • Conduct an ad hoc study of commissions pricing structures for various e-payment services in the retail payment market, taking into consideration the supply and demand sides. • Issue the necessary legislative tools to regulate and control the commissions of using and accepting e-payments wherever necessary, in a way that achieves fairness and transparency for financial consumers and PSPs.
Expected Outcomes	<ul style="list-style-type: none"> • Providing fair and transparent affordable and low-cost e-payment products and services to financial consumers. • Enhancing the use and acceptance of e-payments. • Promoting financial inclusion in the Kingdom considering the standards of access, use, and quality.

- **Providing value-added payment products and services that meet the needs of the financial consumer**

The tendency of PSPs towards providing new e-payment products and services in the retail payment market in a manner that meets the needs and desires of financial consumers will support developing and stimulating e-payment processes and their acceptance, and will contribute to promote and deliver digital financial services at a faster pace.

This requires PSPs to take into account that these services and products shall be diverse and adding value, meet the daily payment needs of financial consumers, and serve all segments of the local community. For example, there is a need to provide products and services designed to serve customers of government institutions that use large-volume and low-value cash, such as the health sector and the transportation sector, provide payment products for foreign workers in industrial areas, and other products for residents in rural and remote areas, as well as to provide payment products in the tourism sector, and others.

ACTIONS	<ul style="list-style-type: none"> • Conduct a supply and demand survey to measure the need of financial consumers for new payment products and services that meet their needs and desires, and to determine the need of various business sectors and the government sector for products and services that are compatible with their payments and collection processes. • Furnish all PSPs with the results of the survey, to examine and use its outputs when designing their products and services, which reflects their feasibility and added value. • Encourage PSPs to introduce new payment products in compatibility and interoperability with other financial institutions under the CBJ's oversight and supervision or those under other regulatory authorities (such as financial intermediaries) to target new categories of customers, especially in remote areas and governorates.
KPIs	<ul style="list-style-type: none"> • Conduct a specialized survey and share its results with stakeholders to enable them identifying e-payment products and services that are compatible with the needs and desires of financial consumers, and support the payments in the business and government sectors. • Endorsement and enacting of regulatory frameworks for modern payment products in compatibility and interoperability between PSPs and other financial institutions subject to the CBJ's oversight and supervision, such as the Co-Branded e-wallets product, taking into account the provision of payment products that target women, people with disabilities, and customers and providers of e-commerce services.
Expected Outcomes	<ul style="list-style-type: none"> • Providing new, diverse, and value-added e-payment services and products that meet the needs and desires of financial consumers, business sectors, and the government sector. • Enhancing the access and integration to the NPS, which contributes to higher levels of financial inclusion in the Kingdom.

Strategic Objective V: enhance the soundness and efficiency of the NPS infrastructure

This objective encompasses three operational objectives, as follows:

- 1) Promote compatibility, interoperability, and fair competition.
- 2) Ensure the credibility and robustness of the e-payments infrastructure.
- 3) Enhance the soundness and efficiency of the e-payments ecosystem.

- **Promote compatibility, interoperability, and fair competition**

An e-payment ecosystem that supports compatibility and interoperability standards will mirror positively on all participants in the retail payments sector, including end users, such as financial consumers, merchants, business sectors, and government institutions; it makes conducting and accepting payments easier, faster, and less costly.

In addition, the e-payment systems operating in a closed loop, which rely on one PSP with no compatibility and interoperability with third parties, will miss the advantage of economies of scale, as the cost of providing payment services will increase and the profitability of the PSPs will decline, which disturb the retail payments market. Therefore, measures must be taken to address the challenges resulting from the lack of compatibility and interoperability between the components of the NPS, through assessing and achieving the compatibility and interoperability of the NPS's components and appropriately.

ACTIONS	<ul style="list-style-type: none"> • Review and evaluate the current status of the NPS components and assess their compliance with the requirements of compatibility and interoperability, as well as evaluating business models that can sustainably accelerate the flow of payments through the e-payment ecosystem, regardless of the service provider, taking into consideration fair competition. • Introduce initiatives that support competitiveness based on innovation in providing e-payment services in the scope of compatibility and interoperability. • Promoting the use of cutting-edge technological solutions and related innovations that support compatibility and interoperability in conducting e-payments. • Strengthen integration and interoperability with regional payment systems.
KPIs	<ul style="list-style-type: none"> • Conduct a specialized technical study that includes all components of the NPS to assess the compatibility and interoperability requirements among the NPS components, and to identify opportunities for improvement and enhancement. • Issuing binding decisions by the CBJ for PSPs, whether payment companies, banks, or other financial institutions, to achieve the requirements of compatibility and interoperability between the components of the NPS, wherever necessary, after consultation with them.

	<ul style="list-style-type: none"> • Launching initiatives supporting the entry and participation in providing projects for innovation-based e-payment products and services that support compatibility and interoperability. • Enacting the legislative tools or guiding frameworks for permitting or regulating the use of modern Fintech that enhance compatibility and interoperability between the components of the NPS, such as Open Banking & Payment. • Put in place the necessary arrangements to support integration and interoperability with regional payment systems, including concluding MOUs between the CBJ and counterpart authorities in the region, and building joint projects thereto.
Expected Outcomes	<ul style="list-style-type: none"> • Increasing the use and acceptance of e-payments in the compatibility and interoperability context. • A high level of competitiveness to provide value-added and low-cost e-payment services and products. • Enhancing the use of cross-border payments electronically.

• **Ensure the Credibility and Robustness of the E-payments Infrastructure**

A solid infrastructure for e-payments contributes to enhance the financial consumer's confidence in e-payment instruments, channels, and systems, and the demand for using them in conducting daily transactions and completing commercial transactions, as the financial consumer is able to access his/ her money anytime and anywhere, exactly the same as cash. Furthermore, e-payment ecosystems and their components rely primarily on technology in providing their services, which requires ensuring the minimum standards and guidelines that govern the use of technology in a safe and reliable manner.

ACTIONS	<ul style="list-style-type: none"> • Review and evaluate the adequacy of the regulatory rules, controls, and procedures related to enhancing the environment of information security, cyber security, data protection, and risk management, including combating financial offenses when providing e-payment services. • Set a program to test and improve the adaptation to cyber risks to counter cyber-attacks in the national payments sector. • Developing the necessary legislative tools to enhance the standards of strong customer authentication when executing e-payment transactions, including e-commerce payments; in a way that contributes to protect financial consumers when conducting e-payments.
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	<ul style="list-style-type: none"> • Regulate international payment platforms providing their services in the Jordanian market; to enable and integrate the proper use of these services in a way that enhances the financial consumer protection, and contributes to achieving the integrity of the Jordanian financial system, and enabling the CBJ to carry out its supervisory role efficiently and effectively. • Enhancing e-payment transactions in e-commerce services. • Providing the infrastructure that supports the electronic authentication system (e-signature) for financial and banking sector institutions in accordance with the requirements of the electronic transactions law in force.
KPIs	<ul style="list-style-type: none"> • Issuing binding legislative tools based on international standards and best practices related to risk management of e-payment services with regard to information security and cyber security risks, data protection, and combating financial crime wherever necessary. • Introduce a program to test and improve the adaptation to cyber risks to counter cyber-attacks in the national payments sector. • Issuing regulatory instructions to determine the standards of strong customer authentication when executing e-payment transactions, including e-commerce payments. • Conclude MOUs with managers of international payment platforms (such as Google Pay, Apple Pay, PayPal) to provide their services in the Jordanian market, and to enable and integrate their proper use in a way that enhances financial consumer protection and contributes to achieving integrity in the Jordanian financial system and enabling the CBJ to tackle its supervisory role efficiently and effectively. • Endorse the standards and arrangements for supporting the implementation of e-commerce payments within the context of reliability and efficiency. • The readiness of the electronic authentication system (e-signature) for financial and banking sector institutions in accordance with the requirements of the electronic transactions law in force.
Expected Outcomes	<ul style="list-style-type: none"> • High degree of reliability and credibility in e-payment systems and services. • Enhance security measures in executing e-payments including e-commerce payments.

- **Enhance the soundness and efficiency of the e-payments ecosystem**

The efficiency and soundness of the procedures and processes of clearing and settlement of payments and transfer of money within the national economy affects the soundness and effectiveness of the performance of the financial and banking sector in particular and the entire economic activity in general. Efficient retail payment systems that contribute to supporting the execution low-value and large-volume payment transactions across various economic activities, will improve carrying out and timely completion of business transactions, and accelerate cash flows at the macroeconomic level as well.

Furthermore, the rapid growth in payment transactions based on the use of electronic channels such as internet portals, mobile applications, or POSs will support carrying out commercial transactions, especially within the e-commerce sector, which will strengthen the foundation of an efficient and effective NPS. However, this requires ensuring, on an ongoing basis, that retail payment systems are ready to deal efficiently and effectively with the increasing volume of transactions, and to process and clear e-payment transactions within the scope of effective risk management.

In addition, whenever the infrastructure dedicated to the settlement of e-payment transactions relies on settlement with the CBJ money, this will contribute to enhancing the reliability and credibility of e-payment systems for conducting transactions. Furthermore, this requires ensuring the carrying out of monetary settlement processes for all retail payment systems through the RTGS system, ensuring the integrity of the processes and their structure, and executing these processes on time, efficiently, and effectively.

ACTIONS	<ul style="list-style-type: none"> • Evaluation of systemically important e-payment systems in accordance with the Principles for Financial Market Infrastructures (PFMIs) issued by the Bank for International Settlements (BIS). • Enhancing the mechanism of direct or indirect access and participation, in e-payment systems within clear and announced standards that achieve fairness, and considering risk assessment. • Studying the feasibility and possibility of settling clearing files for e-payment systems managed by exchange companies to provide electronic transfer of money services and for International e-payment systems that provide their services in the Jordanian market, through the RTGS system. • Supporting and stimulating the shift to providing payment services to the customers of banks and PSPs, whether natural or legal persons, via e-payment means based on Internet platforms or mobile applications.
KPIs	<ul style="list-style-type: none"> • Issuing the disclosure framework for the results of evaluating e-payment systems in accordance with the PFMIs issued by the BIS

	<ul style="list-style-type: none"> • Put in place the necessary regulatory arrangements to define the criteria for direct and indirect participation in e-payment systems - wherever necessary- within a scope that takes into account clarity, transparency, fairness, and risk assessment. • Set the arrangements for settling clearing files for e-payment systems managed by exchange companies to provide electronic transfer of money services and for International e-payment systems that provide their services in the Jordanian market through the RTGS system, as soon as its feasibility and applicability are validated. • Launching special initiatives to support and stimulate the shift to providing payment services to the customers of banks and PSPs, whether natural or legal persons, via e-payment means based on Internet platforms or mobile applications.
Expected Outcomes	<ul style="list-style-type: none"> • Enhancing the efficiency and effectiveness of e-payment systems and services in the Kingdom in consistency with relevant international principles and recommendations.

ANNEX: The Historical Development and Performance of the NPS

- 1. The National Payments Council**
- 2. The Payment and Settlements Systems Strategy in Jordan (2013-2016)**
- 3. The Components of The NPS and their Performance**

The Historical Development and Performance of the NPS

1. NATIONAL PAYMENTS COUNCIL

The Jordanian National Payments Council (NPC) was formed on 7/2/1998 as a CBJ's initiative. A consultative meeting was held with the chairmen of the boards of directors and general managers of banks operating in the Kingdom. In 2012, the NPC was restructured; banks elected seven members for the NPC which was chaired by the CBJ.

To ensure the transparency and business continuity of the NPC, in addition to ensure a higher representation of the banking, economic, and financial sectors, the NPC's General Authority, which consists of all banks operating in the Kingdom, has adopted a regulatory framework for the Council in consensus, and in line with the legislations and laws in force, as well as international best practices that emphasize the guiding principles of governance including fairness, transparency and disclosure, accountability, responsibility, segregation of duties, and delegation of powers, which aim to enable the NPC to meet the needs and aspirations of all relevant stakeholders in their dealings with payment and settlements systems, and various payment instruments and channels, which serves the national economy, the banking system, and all segments of Jordanian society.

The NPC is responsible for several tasks including developing the appropriate legal environment to enhance the payments system and relevant payment instruments, as well as contributing to laying the grounds for developing other retail payment instruments to benefit the users and issuers which serves the national economy. This is in addition to putting in place appropriate strategies for managing the risks associated with the use and development of the payments system, as well as setting appropriate plans to ensure the soundness of the payments system and suggesting convenient alternatives for the business continuity of the system.

While carrying out these tasks, the NPC relied on the partnership with the entities related to the NPS components, as it coordinated with the government represented by the Ministry of Finance -the largest user of the NPS, as well as Amman stock exchange through the Securities Depository Center. The NPC also continuously coordinated and cooperated with all relevant parties, including banks, financial companies, technology companies, and other government institutions, which helped to achieve the announced tasks and objectives to proceed with ensuring the integration of the systems and projects and providing the best services to the Jordanian economy in terms of the business sector and individuals, taking into consideration the recognized international rules applied in developed countries.

At the end of 2012, the NPC approved the National Strategy for Payment, Clearing, and Settlement Systems (2013-2016), which reflects the NPC's vision to achieve a sound and efficient NPS with high international standards, through maintaining the soundness and efficiency of the NPS via the interoperability of payment systems and putting in place overarching legal frameworks to promote financial inclusion, to encourage the increased acceptance of modern payment instruments, and to reduce risks related to payment systems. The NPC's vision regarding the payment and settlement systems for 2016 was formulated to meet the urgent need to keep abreast with the developments and enable broader participation in payment and clearing systems, as well as to avail a safe and efficient NPS that supports the efficient and effective implementation of the monetary policy, hence, contributes to achieving the financial stability and the financial inclusion in the Kingdom.

2. The Payment and Settlements Systems Strategy in Jordan (2013-2016)

The strategy for payment and settlements systems in Jordan for (2013-2016) was based on three main pillars stemmed from the NPC's vision, namely; to put in place and update legal frameworks to ensure a comprehensive legal environment, to raise the efficiency and requirements of payment, clearing, and settlements systems and enhance the access and participation in the NPS, and to formulate a comprehensive national strategy for retail payment systems and financial inclusion.

To implement this strategy, the CBJ, in cooperation with its main stakeholders, embarked the development and restructuring of the payment and settlement systems in the Kingdom, through the interoperability of payment systems, and introducing comprehensive legal and legislative frameworks to ensure financial inclusion, encourage increased acceptance of new payment instruments, and reduce systemic and credit risks, and others. This is in addition to enhance and accelerate the velocity of money in the economy which enhances the economic efficiency. The CBJ has achieved several significant achievements related to the above strategic objectives, namely:

- **Put in Place and Update the Legal Frameworks to Ensure an Overarching Legal Environment**

The CBJ, through the competent official authorities, introduced and updated the legal and legislative frameworks necessary to govern the e-payment systems and services in the Kingdom, as the Electronic Transactions Law No. (15) of 2015 included several regulatory aspects for payment systems administration and the provision of payment services, whereby electronic transfers of money are acceptable. The CBJ also allows, in accordance with a bylaw issued thereto, to specify the procedures for operating e-payment systems, their technical requirements, the requirements and conditions for issuing and dealing with e-money, and the settlement of disputes that arise between the parties engaged in an electronic money transfer transaction. Furthermore, it identifies the conditions, procedures, and technical requirements for electronic checks and the specifications of the e-system for providing, presenting, and clearing checks electronically.

Furthermore, the law requires a CBJ's licensing for every single electronic payment and money transfer company, taking into account the Banking Law in this regard. The CBJ, in accordance to a bylaw issued for this purpose, shall determine the terms of licensing, revoking licenses, fees, fines, administrative penalties, minimum capital, guarantees, and periods and conditions set to license companies existing before the enforcement of the provisions of this law, as well as other matters related to e-payment and electronic transfer of money systems. In the same context, the law subjected the activities of electronic payment and money transfer companies to the CBJ's supervision and oversight. This will bring the activities of e-payment services and electronic money transfer represented by electronic payment, transfers, financial settlements, or clearing services, or the issuance of instruments, management, and operation of e-payment systems under the CBJ's regulation, supervision, and oversight within a new framework of governing legislations and instructions, as any entity practicing these activities shall be licensed by the CBJ.

To introduce the appropriate legal foundation for the objectives and tasks of the CBJ in terms of its law and in consistency and compatibility with the provisions of the electronic transactions law in force regarding the regulation, oversight, and supervision of e-payment systems and services, several aspects related to the NPS have been included in the amended CBJ Law No. (24) of 2016 namely; the CBJ's tasks were broadened to include regulating and developing the NPS to ensure the provision of safe and efficient systems for payment, clearing, and settlement in the Kingdom, as well as to oversee and supervise the NPS. However, the CBJ is entitled to take the necessary measures for interconnection with international payment systems, as well as to manage payment, clearing, or settlement systems, as appropriate.

Furthermore, the law entitled the CBJ to regulate the separation of the PSPs' funds and customers' funds so that customers' funds are not exposed to any judicial seizures, and are not included in the assets of payment services companies in case of any liquidation or bankruptcy. The CBJ is also entitled to verify the safety and efficiency and request any data and information about any payment systems that are managed or operated by any government department or official or public institution if it is deemed to have an impact on the financial stability in the Kingdom; the CBJ may take any measures it deems necessary.

In the same context, the law classifies whether payment, transfer, or settlement orders resulting from clearing transactions in payment systems licensed or managed by the CBJ are final and irrevocable, revocable, or canceled after being finalized, in accordance with the operation rules of the system approved by the CBJ. This includes dealing with any liquidator or bankruptcy agent, without prejudice to any related parties. Furthermore, the management of guarantees has also been included, as the CBJ has the right to request guarantees and insurances that it deems necessary to cover the obligations that may be due on PSPs, PSOs, or participants therein.

In addition, to establish the necessary legislative foundations to regulate the NPS, and to enable the CBJ to carry out its tasks thereof, the Electronic Payment and Money Transfer Bylaw No. (111) of 2017 was enacted pursuant to the provisions of Articles (21) and (22) of the Electronic Transactions Law in force. The bylaw specifies the licensing conditions for electronic payment and money transfer companies, revoking licenses, fees, fines, administrative penalties, minimum capital, guarantees, and periods set for licensing existing companies prior to the enforcement of the provisions of the law. This is in addition to determining the procedures for operating e-payment systems and their technical requirements, the requirements for issuing and dealing with e-money, settling disputes that arise between parties in an electronic money transfer transaction, and other regulatory matters related to the e-payment systems and services and electronic money transfer.

Since the beginning of 2018, the CBJ continuously enacts the instructions and other legislative tools necessary to regulate the business of PSPs and PSOs in a way that meets and reflects the needs and arrangements of existing and new payment systems, business models, and participants in payment systems, as well as innovative payment products, instruments, and channels, including the necessary legislations to ensure the efficiency and effectiveness of oversight and supervision over companies licensed to carry out these activities.

- **Enhance the Efficiency and Requirements of the Payment, Clearing, and Settlements Systems and Enhance the Access and Participation in the NPS**

Since the launch of the payment and settlement systems strategy in Jordan (2013-2016), the CBJ, in cooperation with banks operating in the Kingdom, has embarked on several projects related to the improvement and development of new or existing payment and settlement systems, to raise the efficiency of the systems and to enhance the participation in these systems by other financial institutions. In 2015, the RTGS-JO which had been operating in the Kingdom since 2002 as a system for executing LVPs was upgraded and operated with a modernized version. The system was restructured to reflect all recognized financial and technical international standards, as the updated system broadly provides high speed in executing payment orders and trading transactions, payment and settlement are perpetual, improves liquidity and settlement risk management, enhances the efficiency of money management in banks, revitalizes the interbank market, and boosts the confidence in the Jordanian financial system locally and internationally.

With respect to the developments in retail payment systems, in 2014 mobile payment services were introduced to the financial and banking sector through the CBJ's initiative to develop and build the Jordan mobile payment system (JoMoPay); to enable customers to carry out and exchange financial transactions via e-wallets using mobile applications. Afterwards, during the same period, an e-payment system was launched for bill presentment and payment electronically, (eFAWATEERcom), which aims to support bill payment services as well as e-commerce payments and government e-payments. In addition, in 2016, the ACH system was introduced to facilitate and accelerate executing and trading credit and debit large-volume and low-value financial transfers between the banks operating in the Kingdom that are members in the system and their clients automatically, to support executing salaries transfers for workers in the public sector and the private sector as well.

- **Put in Place a Comprehensive National Strategy for the Retail Payments Systems and Financial Inclusion**

Financial inclusion is one of the significant objectives that the CBJ strives to achieve through its endeavors to fairly deliver financial services and products to the financially excluded groups in a way that meets their needs and helps them improving their standards of living which target all segments of society. Therefore, the CBJ, in cooperation with its stakeholders from local and international entities launched the National Strategy for Financial Inclusion (NFIS) (2018-2020) on 4/12/2017 to unify and bring initiatives and efforts to enhance the financial inclusion in the Kingdom under

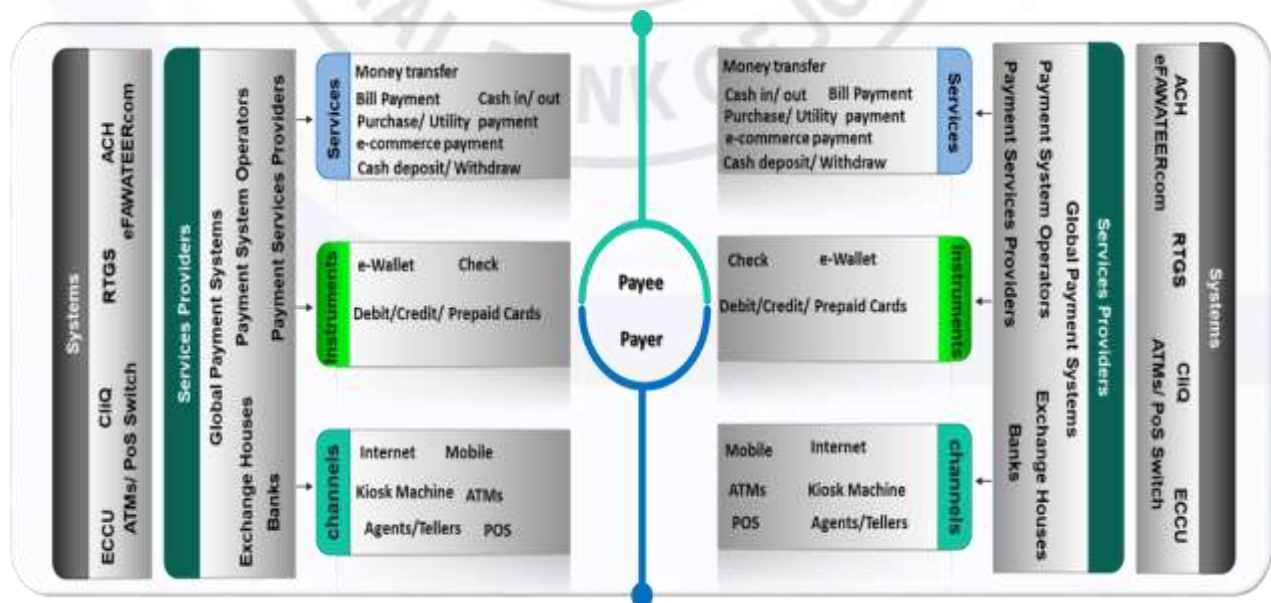
one umbrella, so that this strategy represents a comprehensive national vision where everyone works through.

The NFIS (2018-2020) was formulated in collaboration between all stakeholders, inside and outside the CBJ, and was based on a set of priority policies and enablers on which the strategy was built, which includes three main pillars: financing SMEs, microfinance, digital financial services, in addition to four enablers: legal and regulatory frameworks, financial consumer protection, financial capacity building, and data and research.

The strategy mainly aimed at raising financial inclusion in the Kingdom, measured by the adults' accounts ownership in financial institutions, from 33.1% to 41.5% by 2020, in addition to reducing the gender gap -which is referred to the women's access to financial services compared to men- from 53% to 35% by 2020. It is noteworthy that in the 2020 figures outperformed their targeted levels in the strategy, as the financial inclusion rate increased to approximately 50% up from 41.5%, and the gender gap decreased to around 29% instead of 35%.

3. Components of the NPS and their Performance

The CBJ regulates, oversees, and supervises the NPS according to the provisions of the amended CBJ Law No. (24) of 2016, Electronic Transactions Law No. (15) of 2015, and the Electronic Payment and Money Transfer Bylaw No. (111) of 2017 issued pursuant thereto. Meanwhile, the NPS encompasses several components that may be altered based on any changes that may occur in the payment systems, channels, and instruments and the emergence of any new innovations. A brief of the NPS components in the Kingdom and their performance during the previous years, are illustrated below:

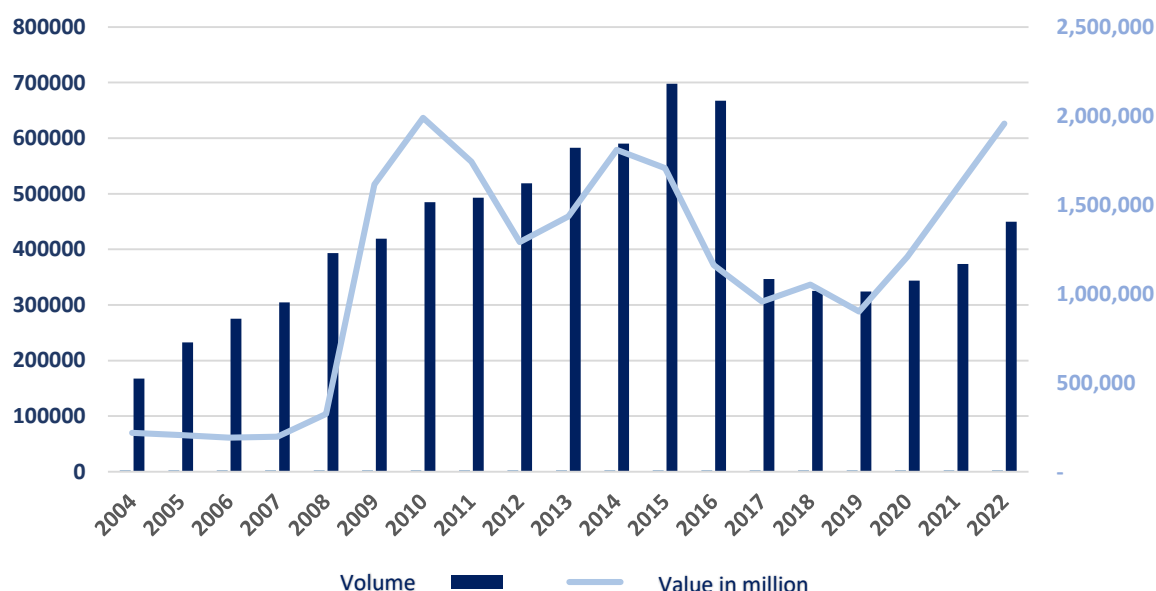


• LARGE VALUE PAYMENTS (LVPS)

Wholesale payments are e-payment and electronic money transfer transactions that are made in gross and on a transaction-by-transaction basis (the transaction is settled only, i.e., final payment), so that the settlement account balance changes after each single payment transaction. The number of these transactions is relatively small compared to retail payments, yet the amounts of these transactions are usually large. These payments in the Kingdom are executed through a special system, the (RTGS-JO), which is owned, operated, and managed by the CBJ.

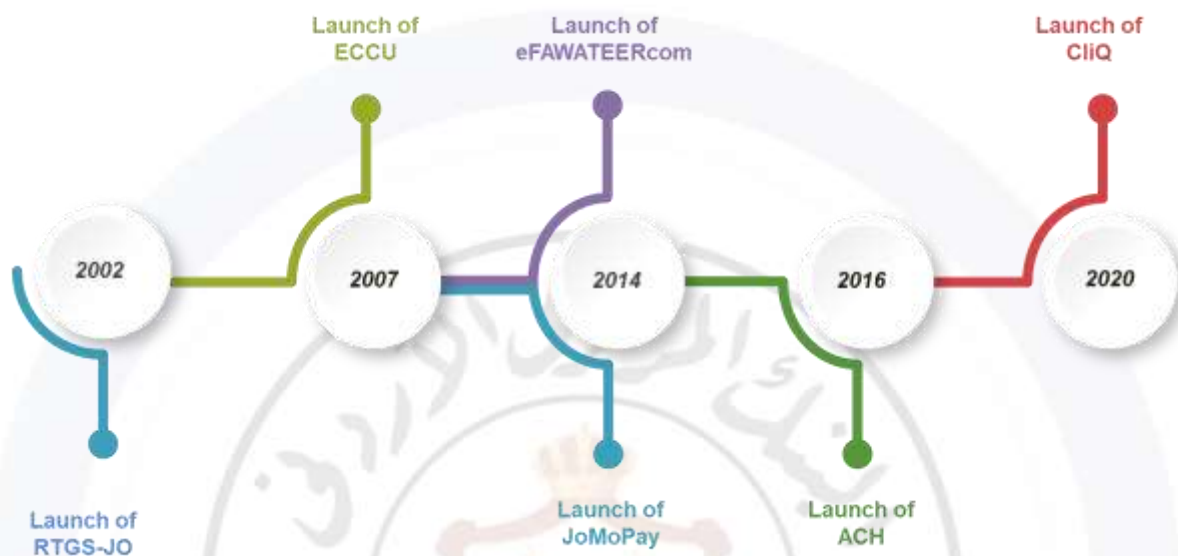
The RTGS-JO, which was introduced in 2002, is the cornerstone of the payments infrastructure in the Kingdom. It is a centralized e-system that operates on a real-time, gross, final, and perpetual basis for executing credit transfer orders. It also provides a settlement point for payment and clearing systems operating in the Kingdom through the central accounts of participating banks in the system. See Figure No. (1), which illustrates the performance of the system during the period (2004-2022).

FIGURE (1): THE VOLUME AND VALUES OF PAYMENTS EXECUTED THROUGH THE RTGS-JO DURING THE PERIOD 2004-2022



- **Retail Payments Systems (RPS)**

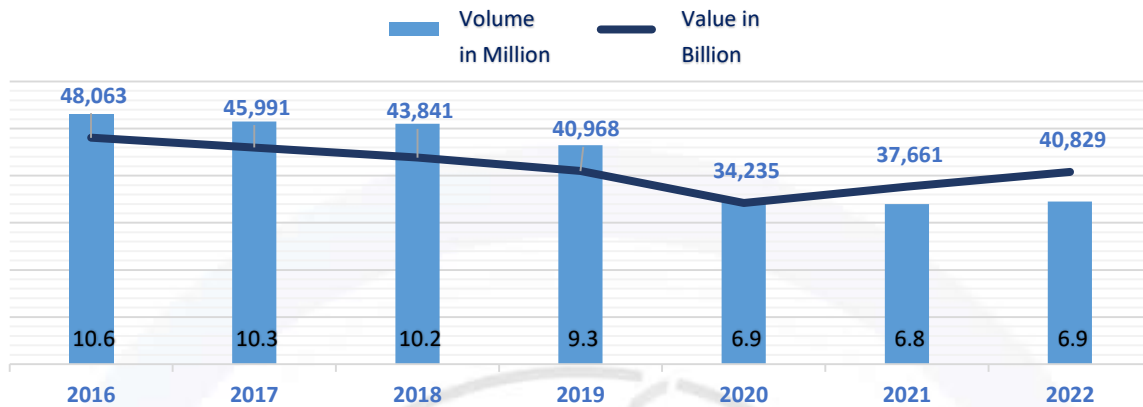
Retail payments are large-volume and low-value payment and transfer transactions which are exchanged between the members of the e-payment system, so that the debit and credit transactions for participating members in the system are cleared through the net financial positions, and then settled through the (RTGS-JO) system after netting the financial positions of the members.



- **Electronic Clearing Checks System (ECC)**

The ECC was launched in 2007, intended to collect and clear checks traded between its participating members of banks, the check clearing process refers to exchanging information (which includes data, images, and codes of checks) via electronic means through the ECC, and determining the resulting net balances at a specific time and debiting them from the accounts of banks participating in the RTGS-JO. The system aims to get rid of paper checks to be cleared once deposited at banks, to collect checks due on the same day for all regions in the Kingdom, to increase the confidence in checks as a tool for fulfilling obligations, and to reduce, as possible, the number of returned checks. See Figure No. (2), which reflects the performance of the system during the period (2016-2022).

FIGURE (2): THE VOLUME AND VALUES OF CHECKS TRADED THROUGH THE ECC DURING THE PERIOD 2016-2022



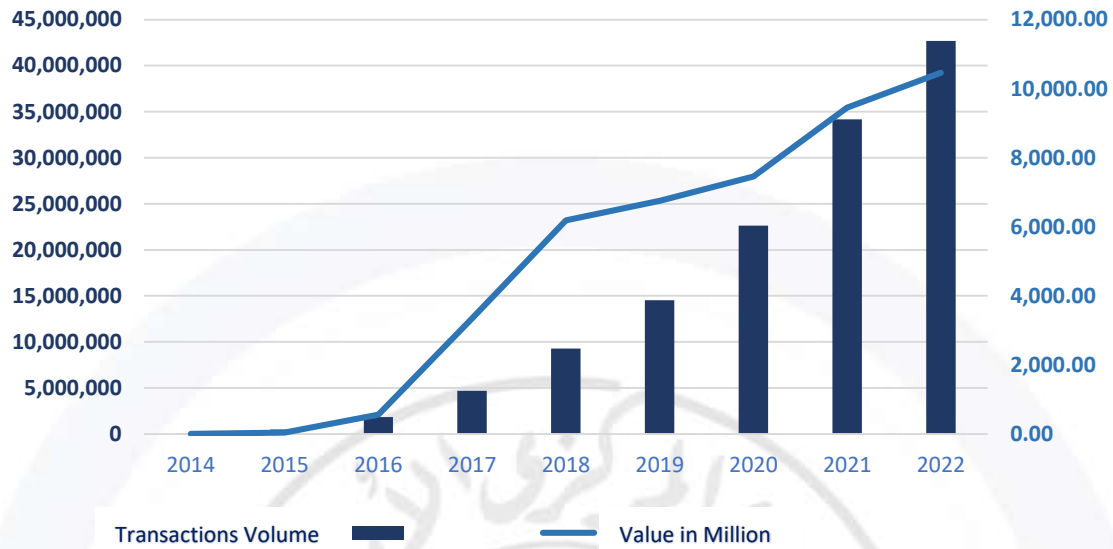
– **Jordan Mobile Payment System (JoMoPay)**

The Jordan mobile payment system was launched in 2014 to provide e-payment and electronic money transfer services through e-wallets using mobile phone applications. The system provides a new and secure mean for instant e-payment and e-transfer through enabling the customer to use his/ her mobile phone to transfer small payments, conduct P2P transfers, and pay for purchases and services directly. This would reduce the need for paper cash and coins which entail losing cash and other risks. Furthermore, the e-wallet is an e-money account that is accessed through an application on smart phones, and is linked to a mobile phone number which serves as the e-wallet account number, and could be associated with an alias. The number of registered e-wallets reached to more than (2.05) million by the end of 2022.

– **The Electronic Bill Presentment And Payment System (eFAWATEERcom)**

eFAWATEERcom system was launched in 2014 for the presentment and payment of bills electronically; it is considered one of the most advanced retail payment systems that drives the impetus of digital payments in the Kingdom. It allows instant payments for bills, services, government payments, and e-commerce payments through various payment channels provided by banks or PSPs. Furthermore, the system plays a vital role in improving the user experience in payments and significantly contribute to save time, effort, and cost for users in paying their bills and services. The system aims to transform society from a paper- and cash-based into a digital society, reduce the expenses, and realize societal and economic benefits. See Figure No. (3), which displays the performance of the system during the period (2016-2022).

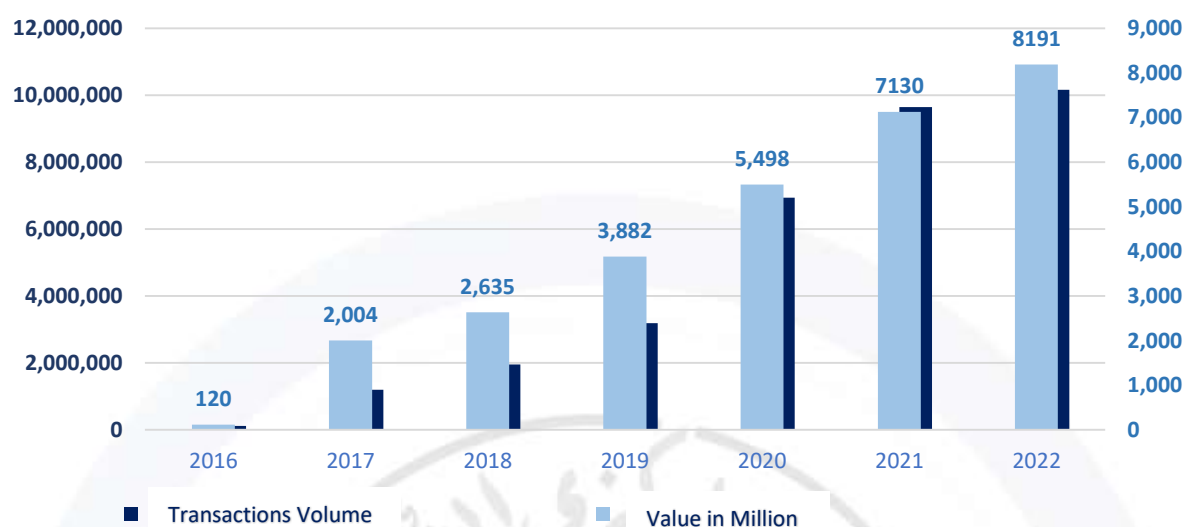
FIGURE (3): THE VALUES OF TRANSACTIONS EXECUTED THROUGH EFAWATEERCOM DURING THE PERIOD 2014-2022



– Automated Clearing House System (ACH)

The ACH system was launched in 2016; it is a centralized e-payment system which allows all of its member banks to carry out and exchange low-value credit and debit financial transfers, in addition to salary transfers. The system aims at facilitating and accelerating the execution of large-volume and low-value credit and debit transfers to contribute in raising the efficiency of the financial system in the Kingdom, reducing the use of paper cash, increasing the security in payment and financial transfer transactions, reducing associated risks, as well as enhancing the efficiency in terms of cost, speed, and effectiveness. See Figure No. (4), which illustrates the performance of the system during the period (2016-2022).

FIGURE (4): THE VOLUME AND VALUES OF THE TRANSACTIONS EXECUTED THROUGH THE ACH DURING THE PERIOD 2016-2022



– Instant Payment System (CliQ)

The CliQ system was introduced in 2020 as the latest instant payment system in Jordan that operates in accordance with the (ISO 20022) standard for financial messages. The system allows the transfer of money across bank accounts and e-money accounts (e-wallets) instantly; the system services are provided via mobile phones applications of the participants in the system. However, the users are required to firstly register in the service by defining their aliases, whether a name or a mobile phone number, which they wish to use to receive money. The CliQ system provides a set of financial services including, instant money transfer, request to pay, and return payment, in addition to non-financial services such as defining unique alias, recipient confirmation, confirmation of receipt, and return requests. See Figure No. (5), which illustrates the performance of the system during the period (2020-2022).

The data of the JoMoPay system was merged with the data of the (CliQ) system for the year 2022; which achieves the compatibility and interoperability between these two systems through linking mobile payment service providers to (CliQ) system as of end 2021, so that the CliQ system has become the central platform that brings together banks operating in the Kingdom with mobile payment service providers to provide mobile payment services.

FIGURE (5): THE VALUES OF TRANSACTIONS EXECUTED THROUGH THE INSTANT PAYMENT SYSTEM DURING THE PERIOD (2020-2022)



– The Systems of Process and Authorize Cards payment transactions via POSs and ATMs

Three e-payment systems in the Kingdom are dedicated to process and authorize payment transactions executed via payment cards at POSs of merchants and/or cash withdrawals executed via banks' ATMs. However, these systems clear payment transactions executed between its participating members, acquirers and card issuers, and settle them through the RTGS-JO system. These systems are significant components of the NPS that support the digital transformation in the retail payments market and reduce the use of cash in payments for purchases and services, which enable the shift to a cashless society that relies on e-payment. See Figure No. (6), which displays the performance of the systems of process and authorize cards payment transactions via POSs, ATMs, and e-commerce websites during the period (2018-2022).

FIGURE (6): THE VALUES OF PAYMENT TRANSACTIONS EXECUTED THROUGH POSs (BILLION) DURING THE PERIOD 2018-2022



- **International Electronic Payment Systems (IEPS)**

The CBJ is responsible for accrediting IEPSs that provide payments or money transfer services in the Jordanian market through its clients of financial and banking institutions (banks, exchange companies, electronic payment and money transfer companies) under the CBJ's oversight and supervision, according to the provisions of legislations in force.

Furthermore, the primary objective of accrediting IEPSs is to enable the CBJ to regulate and enhance the NPS in a way that ensures the provision of safe and efficient systems for payment, clearing, and settlement in the Kingdom, which in turn strengthens the CBJ's oversight and supervision on all NPS components, including cross-border payments and money transfer systems.

However, there are two types of IEPSs that provide services in the Jordanian market; one is concerned with administrating, processing, clearing, and settling payments and transfer transactions conducted via payment cards, in particular cross-border payments, while the second is concerned with processing, clearing, and settling cross-border electronic financial transfers. The number of accredited IEPSs has reached to (20) systems as of end 2022.



- **Payment Services Providers (PSPs)**

A number of electronic payment and money transfer companies are licensed by the CBJ to provide payment services including the issuance and management of any e-payment instruments or electronic money transfer; the total number of licensed PSPs reached to (14) companies by the end of 2022. They provide a variety of payment services namely; issuing credit and prepaid payment instruments, including the issuance and

management of e-money, providing mobile payment services, electronic money collection services, and the provision of electronic money transfer services.



• Payment Systems Operators (PSOs)

The CBJ has licensed several PSOs in the Kingdom to manage and operate e-payment systems; the number of PSOs licensed to provide retail payment services and local electronic transfer reached to (5) companies as of end 2022. However, there are (9) exchange companies licensed to manage and operate e-payment systems to provide local and cross-border electronic money transfers.



• Banks operating in Jordan

The number of banks operating in the Kingdom is (21) banks; all banks are licensed to provide e-payment and electronic transfer services including issuing various types of credit, debit, and prepaid payment instruments, and providing electronic collection of money. In addition, they participate in the retail e-payment systems to enable their customers conducting their payment and financial transfers.



• E-Payment Instruments

Payment instruments are any electronic means approved by the CBJ and enable its holder to conduct e-payments or electronic money transfer. They are divided into three main types: prepaid mainly prepaid cards, which are issued by banks or PSPs to the customer funded by the customer's money (such as e-money), credit payment instruments such as credit cards issued by banks or PSPs to the customer without the need for a balance in the customer's account (credit line), and debit payment instruments such as debit cards, which are issued exclusively by banks to the customer, provided that a sufficient balance is available in the customer's bank account. See Figure No. (7), which illustrates the number of payment cards issued in the Jordanian

market issued by banks or electronic payment and money transfer companies as of end 2022.

FIGURE (7): THE NUMBER OF PAYMENT CARDS ISSUED IN THE JORDANIAN MARKET (BILLION) DURING THE PERIOD (2015-2022)



• E-Payment Channels

The payment channel is an electronic mean that enables the customer to access his/ her bank account or the e-payment account to use the financial and banking services associated with it, including conducting e-payments and electronic money transfer. In addition, there are several payment channels provided by banks or PSPs, including channels based on mobile applications such as (Mobile Banking) or (e-Wallet), channels based on Internet portals such as Internet Banking, as well as channels based on self-service devices such as ATMs and POSs devices, and online payment portals for e-commerce payments.

furthermore, e-payment services are also provided currently through traditional payment channels such as bank branches and offices (counter); as there is a large segment of financial consumers who still prefer cash in conducting their payment transactions, rather than e-channels.

In addition, PSPs are allowed to provide part or all of the services they are licensed to offer to customers through a network of agents appointed to this end, as the number of agents providing payment services distributed throughout the Kingdom exceeds (2000) agents as of end 2022. The agent network varies to include exchange companies and their branches, microfinance companies and their subsidiaries, and other individual institutions or legal persons, regardless of their activity. These agents contribute to enhance the spread of e-payment services, and its role in promoting the financial inclusion.

The number of e-channels users, whether mobile banking applications or the Internet banking, reached to (2.8) million users as of end 2022. See Figure No. (8), which depicts

the number of payment channels in the Kingdom and their spread across governorates as of end 2022.

FIGURE (8): THE NUMBER OF PAYMENT CHANNELS IN THE KINGDOM AND THEIR SPREAD ACROSS GVERNORATES AS OF END 2022

