

Number: 26/4/ 20740

Date: 18 Jumada al-Akhirah, 1446 AH

Corresponding to: December 19, 2024

Circular to Electronic Payment and Money Transfer Companies/ Issuers of Electronic Money

Greetings,

Based on the provisions of Article (10) of the External Audit Instructions for Electronic Payment and Money Transfer Services Companies No. (7/2018) and their amendments, we hereby inform you that the following has been decided:

1. Including the 'Task of evaluating the adequacy of financial collaterals for providing the electronic money issuance activity, including work procedures and the specified regulatory controls, in a way that prevents the issuance of electronic money exceeding the value of the collaterals provided in accordance with the provisions of the Financial Collaterals Instructions for Electronic Payment and Money Transfer Services Companies in force, as well as the circulars and regulations issued in this regard' as part of additional services beyond the scope of audit services.
2. Approving the audit office or the specialized consulting entity to carry out the task outlined in item (1) above, no later than April 30, 2025, and providing evidence of this to the Central Bank, including the name of the auditor or the specialized consulting entity that was approved, within a maximum of one week from the date of approval by the Board of Directors. The Central Bank has the right to object to the auditor or consulting entity if any professional misconduct or errors are identified that affect the reputation of the auditor or the consulting entity.
3. If the company does not appoint the auditor or the specialized consulting entity within the time frame specified in item (2) above, the Central Bank shall appoint an auditor or consulting entity for the company at the latter's expense.

4. Regardless what is stated in paragraph (B) of Article (10) of the above instructions, the company is required, starting from the third quarter of the next year and on a quarterly basis, to provide the Central Bank with a copy of the reports related to the task outlined in item (1) within a maximum period of sixty days from the end date of each quarter.
5. The assigned auditor or consulting entity is obligated to inform the Central Bank in writing as soon as they become aware of any material deficiencies in work procedures or regulatory controls, or any significant concerns about the company's ability to manage financial collaterals for issuing electronic money, if such issues pose a threat to the safety or protection of customers funds.
6. The company is obligated to inform the Central Bank if it revokes the approval of the auditor or the consulting entity, along with providing a justification for the cancellation, or if the working relationship ends. The company must also appoint a new auditor or specialized consulting entity within a maximum period of thirty days from the termination date of the approval, in accordance with the provisions outlined in this circular.

Respectfully

Governor

Dr. Adel AL Sharkas