



**ABJ's Activities
in 2016**

The Association of Banks in Jordan (ABJ) continued in 2016 its mandate to discuss and follow up the different issues that were brought to it, especially those of concern to the member banks. The issues enjoyed in-depth discussions and considerations by the ABJ's relevant technical committees, after which the Association submitted the remarks and feedback of its member banks thereon to concerned authorities. The authorities' response was highly serious, where a lot of remarks and proposals made by the ABJ in the name of its members were taken into consideration.

In the field of training, the ABJ held in 2016 a number of meetings, seminars, workshops, training courses and lectures that handled issues of concern to the banking system in Jordan.

As regards studies, the ABJ issued during 2016 a number of publications, reports and studies that relate to Jordanian banking system.

Hereunder are the most outstanding ABJ activities in 2016:

A. Meetings of ABJ's committees

ABJ's Legal Committee holds meetings on various issues

The ABJ's Legal Committee held a number of meetings in 2016 to discuss various legal issues of interest to the banking sector.

Representatives of legal departments at banks held a meeting at the Ministry of Justice (MOJ) on 24 Aug. 2016 to discuss the MOJ's fresh implementation of transferring amounts of rents and safe deposits to the accounts of the right holders in banks.

The ABJ also organized on 30 Nov. 2016 a meeting for the representatives of legal departments in banks to discuss the issue of failing customers listed on banks' black lists.

The ABJ held on 11 Dec. 2016 a meeting for concerned departments in banks to discuss the electronic procurement project of the General Supplies Department.

ABJ holds meetings to discuss draft regulations of external audit on banks

Following the CBJ's circular # 10/1/3058 dated 28 Feb. 2016, requesting feedback of licensed banks on draft regulations for external auditing on banks to be provided through the ABJ.

Once it received the remarks, the ABJ collected and classified them and held a series of meetings for heads of auditing teams at the banks' boards of directors. The first meeting was held on 20 March 2016, where a mini committee was formed. Later on, the committee held a number of meetings to discuss the banks' remarks and come out with a unified standing on the draft regulations. The final remarks were sent to the CBJ.

The ABJ holds a meeting to discuss banks' remarks on Governance and Management of information and its associated technology Regulations

Following the CBJ circular # 10/1/4913 dated 5 April 2016 requesting remarks of licensed banks on the draft regulations for Governance and Management of information and its associated technology to be provided through the ABJ.

The ABJ addressed its members for their remarks on the draft regulations, collected and arranged the

same. Later on, it held a meeting for the concerned officers in member banks on 24 May 2016 to discuss their remarks and have a unified feedback on regulations. The ABJ sent the banks' final remarks to the CBJ.

The ABJ holds a meeting for Cyber Risks and Security Committee to discuss Cyber Security

The ABJ, in cooperation with the Hussein Bin Abdullah II Technical University, held a meeting on Sunday, 18 Jan. 2016 that involved the Cyber Risks and Security Committee at the ABJ headquarters. The meeting discussed the key requirements for cyber security, the importance of holding courses on the issues of cyber security. It also reviewed possibilities of cooperation in the field of cyber security.

The ABJ holds a meeting on International Financial Reporting standard # 16

The ABJ held on 28 March 2016 a meeting for those concerned in member banks to discuss international financial reporting standard # 16 issued by the International Accounting Standards Board to replace standard # 17, starting from 2019. The meeting discussed also the effect that this standard would have on financial statements. After a briefing on the new standard, bankers recommended that the Income and Sales Tax Department be invited to a joint meeting with banks to discuss the standard and ways of handling it from a tax perspective.

The ABJ holds meeting to discuss draft law of reorganizing businesses and rules of bankruptcy and liquidation

The ABJ held on Tuesday, 22 March 2016 a meeting composed of the IFC, directors of legal departments as well as the concerned departments in banks working in Jordan, to discuss the draft law of reorganizing businesses and rules of bankruptcy and liquidation, which was submitted to the legal committee of the Lower House of Parliament. The meeting discussed challenges and legal issues that Jordanian banks confront in issues of liquidation and bankruptcy. The meeting also discussed the draft law and gave its feedback on some articles that would be submitted to concerned authorities to be taken into consideration when discussed and endorsed by constitutional channels.

The ABJ holds a meeting on bank guarantees and the Customs Department

The ABJ held on Thursday, 1 Dec. 2016, a meeting to discuss the issue of long outstanding bank guarantees issued with the Customs Department as a beneficiary and had not been cancelled.

A member bank called for holding this meeting to discuss this overdue issue and come up with the right recommendations.

The meeting decided to form a mini committee to draft the banks' recommendations on this issue, before submitting them to the ABJ's Board of Directors. Once approved, the recommendations would be sent in a letter to the concerned authorities.

The ABJ holds follow up meetings on banks' feedback on the agreement with CRIF-Jordan

The ABJ held on Tuesday, 5 April 2016 a meeting to discuss the final draft of the banks and CRIF-Jordan's agreement on providing credit bureau services, as a preliminary step to conclude agreements between the newly-established company and banks that have not signed such agreement yet.

Representatives of member banks and CRIF- Jordan attended the meeting.

The ABJ and CRIF- Jordan exchanged correspondence on this issue before holding the meeting, as the ABJ provided CRIF- Jordan with the banks' remarks on the agreement via ABJ letter # 42/154 dated 21 March 2016 and CRIF- Jordan answered the remarks in letter # 104/2016 dated 31 March 2016.

The meeting decided to form a mini technical committee composed of seven banks to discuss the pricing issue in the agreement on providing credit bureau services between banks and CRIF- Jordan.

The mini committee held its first meeting on Sunday, 10 April 2016 at the ABJ headquarters. The committee and the company reached a compromise on the article of pricing in the agreement.

ABJ follows up banks' remarks on draft regulations for stress testing in banks working in Jordan

Following up on the letter of HE CBJ Governor # 23/2/8033 dated 12 June 2016, re requesting the remarks of licensed banks on the draft regulations for stress testing in banks working in Jordan to be provided to the CBJ through the ABJ.

The ABJ sent the draft regulations to the member banks, requesting their feedback. Later on, it collected and arranged the banks' responses and dispatched them to the CBJ.

B. Other meetings

ABJ holds meeting with Companies Controller to discuss draft companies law of 2016

The ABJ held a meeting with the Companies Controller to discuss the draft companies law of 2016. The meeting included ABJ's Vice President Kamal Bakri, ABJ General Director, and a number of directors of legal departments and legal advisors at the banks working in Jordan, in addition to the Companies Controller Dr. Omar Zubi.

Zubi briefed attendees on key amendments and articles in the new draft law, saying that Companies Control Department started a series of discussions with the private sector to explain the new amendments. "This meeting demonstrates that we strongly believe in activating public-private partnership," he said.

The draft law includes important articles whose purpose is to develop the private sector, trigger growth in the national economy, attract more investments, protect rights of small shareholders and accelerate administrative procedures of companies in the phase of incorporation, liquidation or in case of default, he told attendees.

Amendments, he went on to say, include raising the authorized capital of public shareholding companies to 5 million dinars. Furthermore, the public shareholding company is not allowed to submit its shares for public subscription except after two years of active work.

Amendments stipulate for approving the cumulative voting, having no less than one quarter of independent members in the board of directors, and separating the position of the chairman of board of directors from the executive director of the company.

The new articles include private shareholding capital companies, companies of limited liability, raising the quorum of adjourned general assembly meeting to become valid with the presence of minimum 10% of members, instead of any number of partners or shareholders attending, which is the case now.

On his part, Bakri presented a number of remarks that banks have on the draft law, saying "we hope

that the new law takes into consideration other legislations that govern the work of banks, especially the Banks' Law and the CBJ's governance regulations, and banks' special nature of work, especially banking confidentiality.”

Banks, he said, have been implementing the CBJ's Governance regulations since they came into effect. The detailed remarks on the articles and amendments, he added, would be sent to the Companies Control Department.

ABJ's General Director Dr. Adli Kandah highlighted the importance of open and sincere dialogue over the proposed bill as the outcome would be for the benefit of national economy.

Amendments to companies' law, he added, have been long overdue because legislations did not cope up with changes occurring in the business environment of public shareholding companies.

He called for reviewing experiences of other countries as regards the companies' law, especially countries that have similar economic conditions.

Attendees discussed articles and their remarks on them. Dr. Zubi pledged to take banks' remarks into consideration. All of those remarks, he said, would be listed in the remarks matrix that the Companies Control Department would later submit to the prime minister.

C. Seminars, lectures and training courses

1) Workshops

The ABJ held the following workshops in 2016:

Workshop on IFRS # 9

KPMG Jordan, in cooperation with the ABJ, organized a workshop on the international financial reporting standard # 9 (IFRS 9) at the ABJ headquarter. 130+ participants from all banks working in Jordan took part in the workshop, in addition to the CBJ.

ABJ General Director Dr. Adli Kandah inaugurated the workshop with a statement highlighting the importance and substantial influence of IFRS 9 on the banking sector.

The executive partner of KPMG Jordan Hatem Qawasmi stressed that banks should determine the impact that implementing IFRS 9 would have on banks according to CBJ requirements. After that, they can move to the next stage, which is implementing IFRS 9, which is due to start as of 1 Jan. 2018.

In the three hours workshop, partners in KPMG Britain Jonathan Bengam and Stephen Hall explained in detail the IFRS 9 requirements and ways of calculating provisions on facilities granted to customers.

Workshop on Micro Main App

The ABJ, in cooperation with Insight Business Solutions CO, organized a workshop on Micro Main app on 19 July 2016 at its headquarters. A number of concerned specialists in banks took part in the workshop.

Micro Main App focuses on managing maintenance and logistic services, in addition to the automization of purchases, warehouses, fixed assets and accounting work through Microsoft Dynamix AX.

Workshop on international financial reporting standards

The ABJ, in cooperation with Deloitte and Touche and the CBJ, held a workshop on the international financial reporting standards on Monday, 13 June 2016 at the ABJ headquarters.

The ABJ General Director Dr. Adli Kandah co- inaugurated the workshop with the CBJ Vice-Governor Dr. Maher Sheikh and the managing partner of Deloitte Middle East- Jordan Kareem Nabulsi.

A number of executive directors and directors of financial, facilities, risk and compliance departments in all banks working in Jordan were present at the workshop.

The Vice Governor said the International Accounting Standards Board (IASB) issued the international financial reporting standard on 9 July 2014 to be applicable as of the beginning of 2018. This, he added, is an indication of the scope of work and preparations that should be done before implementing the IFRS 9.

Issuing this standard comes at the recommendation of the G20 meetings and as a response of the IASB to the international financial crisis that revealed key weaknesses that should be addressed and corrected, he said.

The key weaknesses, he pointed out, are the methodology and timing of calculating provisions of impairment on loan portfolio and the financial assets subject to the impairment calculations.

Previous methods, Dr. Sheikh said, required building less provisions than should actually be and the timing was later than the right time. The new standard came to address this weakness by calculating provisions to cover both of the actual losses and the expected losses in the future. Therefore, he went on to say, the new standard is described as having a future outlook that responds in a dynamic and direct way to any changes that occur to the type of credit or in the counter party's ability to resettle its obligations to the bank.

The Vice-Governor said he believes the implementation of this standard would have substantial effects on banks, especially in what concerns calculating the provisions of impairment loans and on the components and ratios of capital adequacy. Therefore, banks and their risk management departments should include the expected outcomes of implementation within the capital planning studies and the internal assessment of capital adequacy.

Success in implementing standard 9 requires time, effort and money. It also requires creating the right environment for implementation and providing the proper data and internal systems for credit classification, in addition to reviewing the impact of implementing the standard on other aspects of banking work such as Basel II and Basel III applications, he explained.

Dr. Sheikh expressed hope that the implementation of the new standard would contribute to introducing broader and more comprehensive concepts in the field of risk management. This standard, he said, represents in its core the requirements for risk management more than being accounting requirements, which requires in turn proper governance structure and procedures at banks to ensure the right implementation of concepts that the standard contains.

He pointed out that the CBJ, out of keenness on continued implementation of international financial reporting standards, issued recently a circular to banks working in the kingdom concerning IFRS 9. The

circular calls for banks to prepare a clear plan for implementation, in addition to conducting a study on the expected financial consequences of implementing the standard on financial statements and the components and ratios of capital adequacy. It also requests a study that explains how the implementation would influence product pricing policies in banks and the business model they adopt, along with the roles played by the board of directors, committees arising therefore and the executive administration in each stage of implementation.

The CBJ would review plans and studies that banks made and discuss results with banks and auditors as a preliminary step to issue regulations that would govern implementing IFRS 9 in banks working in Jordan.

On his part, the ABJ General Director Dr. Kandah underlined banks' commitment to the international accounting standards which would positively reflect on banks' operational processes and on Jordan's investment climate in general.

Local banks should implement those standards and create the right conditions for implementation since the standard would be in effect as of the beginning of 2018, he stressed. "Although we have enough time ahead of us, we should start preparing right now because of the importance of IFRS 9," he said.

Deloitte representative Nabulsi highlighted the importance of international standards in financial reporting to be compatible with the current and future standards, the most important of which is Basel II and Basel III. Deloitte is keen on transferring its expertise, experience and know-how that it acquired from working all over the world to banks in Jordan so that they are able to cope up with developments in this field, he said.

Deloitte specialist partners Fadi Saidani and Ijaz Ahmad gave a detailed presentation on the requirements of IFRS 9.

The workshop further discussed a number of financial components that included developments and changes on investment accounting policies. The workshop also discussed ways of implementing IFRS 9 and its effect on financial statements, the value of financial assets in particular and its possible effect on the performance of companies and banks.

Workshop on Energy Efficiency

The ABJ, in cooperation with Izzat Marji Group, held a workshop on implementing energy efficiency in buildings, institutions and public facilities on Tuesday 23 Aug. 2016 at the ABJ headquarters.

The ABJ General Director inaugurated the workshop in the presence of Marji Group General Director Bassil Marji.

Participants in the workshop included representatives of engineering and maintenance departments in banks working in Jordan.

The workshop discussed a number of issues in the field of energy efficiency in buildings, wise consumption of energy, environmental sustainability and analysis of financial investments of energy efficiency projects. Participants also came to know the services that Energy Efficiency Department at Izzat Marji Group provides.

Workshop on Guarantees for Financing Small Startups

The Jordan Loan Guarantee Corporation (JLGC), in cooperation with the ABJ, organized an informative workshop on guarantees for financing small startups.

Concerned directors, credit officers and liaison officers in banks took part in the workshop held at the ABJ headquarters.

A JLGC press release said the workshop is part of its development promotional plan that followed the launching of the program of guaranteeing financing small startups last March.

According to the statement, the workshop aimed at clarifying the concept of small startups that have added value to economy such as industry, services and tourism. It also handled the eligibility criteria to benefit of this program and all relevant credit restrictions and procedural arrangements.

The statement said priority to having guarantees targets entrepreneurial and innovative enterprises that are owned and run by women and young people, especially outside Amman.

JLGC General Director urged banks to support innovators and entrepreneurs in this respect out of their corporate social responsibility, as this would help to establish productive households and communities.

On his part, the ABJ General Director stressed the important role such projects play in improving the socio-economic conditions, especially with the high unemployment rates and the increasing pockets of poverty in the kingdom.

2) Training courses and programs

The ABJ organized in 2016 the following training courses and programs:

Course on CBJ Regulations and Orders on Domestic and External Remittances, Electronic transfers to customers and inter bank remittances and management of their risks

The ABJ organized a training course at the Zarqa Chamber of Industry for employees of branches in Zarqa governorate's banks.

The course, lectured by Advocate Salem Khazaleh, concerned CBJ Regulations and Orders on Domestic and External Remittances, Electronic transfers to customers and inter bank remittances and management of their risks.

The course, which lasted from 18 to 20 January 2016, aimed to enhance participants' understanding of CBJ regulations, memos and orders and of the practical, procedural and legal aspects of them, especially in what concerns internal and external bank remittances, electronic money transfers and their systems, implementation procedures by banks, management of their risks, and ways of combating money laundering and the money relevant to money laundering.

The course also aimed at boosting participants' knowledge of the consequences, effects and risks pertaining to breaching CBJ's regulations, memos and orders. It further targeted raising employees' competence in banking processes, compliance, running electronic processes and internal and external remittances as regards ways of dealing with those regulations, memos and orders, and stimulating participants to discover and identify points that should be complied with in processes of

internal and external remittances, inter-bank remittances and their procedural, electronic and legal requirements; building a base of terms of reference that banks should periodically review regarding the said regulations. It further targeted enhancing participants' knowledge of how to deal with those memos, implement and monitor them, and providing the capacity and knowledge necessary to assess banks' positions in light of the requirements of the CBJ's relevant regulations, memos and orders.

Course on Assessing Financing Needs of Businesses

The ABJ held a training course on Assessing Financing Needs of Businesses targeting bank employees working in credit facilities departments serving medium and big sized companies and departments of risk analysis and credit reviews.

The course, which lasted from 17 to 20 April 2016, aimed to enhance knowledge and skills of those working in credit facilities for corporate departments by raising the competence and skills of participants in analyzing and assessing short-term financing, including financing needs of operational cycle and means of financing it, financing documentary credits, policies of collection and external purchases, financing debit liabilities, pre-financing of exports, financing tenders and contractors, and financing vehicles companies and agencies.

The course also aimed at enhancing participants' capacities in issues relevant to analyzing and assessing long term financing, including industrial and real estate financing. Furthermore, the course targeted enhancing capacities of participants in issues relevant to granting credit facilities, including assessing and reducing credit risks concomitant to granting credit facilities, and means of monitoring credit facilities, assessing elements of credit worthiness of borrowers, ways of pricing loans and predicting the financial failure of companies.

Course on CBJ Regulations and Orders on Domestic and External Remittances, Electronic money transfers to customers and inter-bank remittances and management of their risks

The ABJ organized a specialized training course on the CBJ Regulations and Orders on Domestic and External Remittances, Electronic transfers to customers and inter bank remittances and management of their risks.

The course, lectured by legal and banking specialist Advocate Salem Khazaleh, lasted from 18 to 20 July 2016. A number of bank employees working in departments specialized in carrying out and following up domestic and external transfers and managing electronic transactions, and compliance and legal departments.

The course discussed foremost the CBJ regulations to facilitate inter bank money transfers (RTGS), symbols of the IBAN in money transfers and its procedures, instructions of electronic money transfer orders, and the principles of risk management of electronic banking.

The course also discussed the legal, contractual, monitoring consequences of the same and the obligations and duties shouldered by banks and their employees; violations and their penalties, and explaining the ways and means of dealing with the CBJ's relevant regulations, memos and orders.

Training course on modern banking and commercial transactions

The Judicial Institute of Jordan (JIJ), in cooperation with the ABJ, held a training course for a number

of judges on modern banking and commercial transactions.

The course, which lasted from 25-28 Sep, 2016, was co-inaugurated by the JIJ General Director Dr. Thaer Adwan and ABJ General Director Dr. Adli Kandah.

In the opening speech, Adwan said the organization of this course is the outcome of cooperation between the two entities, the JIJ and the ABJ, that was established by the cooperation agreement to train and qualify judges in fields of banking operations so that litigation over banking and financial issues can become easier and faster.

The course is important, he went on to say, because of the issues that it handles. Those are leasing, bank accounts, documentary credits, international commercial transactions and computer crimes. Such courses, he said, contribute to expand knowledge of judges who work with such topics.

He expressed hope that the course would include practical examples of these issues, especially when it concerns comparing local legal articles with the international articles, as Jordanian courts give precedence to provisions of international conventions over the national provisions.

Dr. Adwan called on judges to have at least a minimum level of information on financial and banking issues so that they can manage a lawsuit, question and discuss with experts. He also called for continued JIJ and ABJ cooperation to achieve the best form of justice.

The JIJ and ABJ held a number of similar courses that started in Aqaba to develop the skills of judges and provide them with specialized expertise to facilitate and accelerate litigation.

On his part, the ABJ General Director Dr. Kandah stressed the importance of empowering judges and providing them with the basic information on banking and financial transactions to enhance justice and reach a state where we have a specialized banking judiciary. Such a specialized banking judiciary, he said, is one of the targets of the ABJ's strategic plan.

Dr. Kandah pointed out that those courses are the first fruits of JIJ-ABJ joint work in the field of specialized training for judges.

He expressed hope that judges would interact with trainers by talking about issues they face in courts, until we reach a larger understanding of lawsuits that would be reflected on lawsuits' administration. This way, he added, we can guarantee that judges are informed of banking and financial issues and they can consequently reach a quick decision in these cases.

Informative Lecture on SERVSCORE

The ABJ, in cooperation with Excellence for Administrative Consultation, organized an informative lecture on measuring upgrading of quality bank services (SERVSCORE), on Sunday, 20 Nov, 2016 at the ABJ headquarter.

Participants stressed that the constant upgrading and development of financial institutions depend on their ability to provide the best quality services to their customers and to build close relationships with them.

This lecture is substantial in light of the high competition among banks to serve customers and create specialized banking products that get high customer satisfaction.

SERSCORE model is one of the best international methods to collect information on customers' expectations and opinions. It is used to evaluate discrepancy between expectations and the actual opinions of customers, identify the types of gaps in service quality, and propose suggestions and solutions to banks that include human resources, procedures, processes and systems; and technologies used in banks to advance customer service.

Participants stressed also that financial institutions should render greater interest in the quality of customer service to ensure their competitive edge in a changing market.

3) Seminars, forums and assemblies

The ABJ held the following seminars, forums and meetings in 2016:

Seminar on Standards of Joint Reporting: Challenges and suggested solutions

The ABJ, in cooperation with the Canadian OPIS Co, held on Tuesday, 27 Sep. 2016 a seminar on Standards of Joint Reporting: Challenges and Proposed Solutions.

The seminar dealt with the standards of automatic exchange of financial data among countries, which the Organization for Economic Cooperation and Development (OECD) launched to exchange information among its member countries on citizens and foreign companies and organizations residing there for the purposes of calculating income tax for the benefit of their original countries.

A number of directors of Compliance, IT, Risk departments and financial directors and internal auditors in banks attended the seminar, in addition to representatives of a number of public institutions.

The seminar aimed at raising awareness in banks and financial institutions, especially the Ministry of Finance (MOF) and Income and Sales Tax Department (ISTD), of the requirements of these standards and the importance of implementing them, especially as 104 countries already implement those standards.

The ABJ General Director Dr. Adli Kandah said in an opening speech that the importance of the automatic exchange of information lies in the country's following up its citizens who reside abroad or who have foreign accounts for financial purposes.

"Some steps should be taken to implement those standards such as raising awareness on the part of partners, whether they are banks or official institutions, especially as those standards are issued by the OECD following in the footsteps of the American act FATCA," he added.

Some 100 countries signed those standards.

The goal of implementing the automatic exchange of information standards is to increase the transparency and cooperation among financial institutions all over the world. Standards include issuing automatic certificates, in addition to due diligence that banks and financial institutions should conduct to recognize accounts that should be reported.

Kandah said that holding this seminar aims at raising awareness of those new standards and requirements that key countries apply and "financial institutions as well as banks are concerned with."

However, he stressed that implementing standards of the automatic exchange of information requires the government, represented by the MOF, sign an agreement with the OECD.

On her part, the sales director of OPES MENA, Salam Moussa, said that issuing a law for standards to monitor the money movements of citizens would enable countries to combat tax evasion, although full knowledge of domestic laws and regulations is a must.

She told attendees that the first report on the automatic exchange of financial information is expected to be released in January next year. Therefore, financial institutions of signatory countries to the agreements should provide required information on individuals and businesses whose owners live in one country and own those businesses in other countries.

She pointed out to a set of requirements to report persons who have accounts in one country and live in another, or live in another country beside their mother country where they have bank accounts. Banks of the country that signs such standards should comply with those standards and provide information to the official institution that undertakes to report those accounts.

When a government signs the agreement, she said, banks of this country are obliged to provide information and it becomes the government's duty to monitor banks' application of those standards.

In his turn, the director of product development in OPES explained the OECD's conditions and standards of the automatic exchange of information that the process of monitoring accounts and combating tax evasion requires from the stage of collecting information to the stage of publishing information in the financial reports.

It is worth mentioning that a number of Arab countries (Lebanon, Iraq, Kuwait, UAE and Oman) have already signed agreements with the OECD to implement the standards of automatic exchange of information.

D. Other news and activities

ABJ convenes the Ordinary General Assembly Meeting, Endorses budget of 2016

The ABJ convened on Monday, 14 March 2016, the ordinary general assembly meeting of its member, presided over by the ABJ Chairman Musa Shehada with the presence of the representatives of member banks.

The general assembly approved the board of directors' report on the ABJ's work the year before and endorsed the ABJ's closing accounts and budget of 2016.

The annual meeting of the CBJ Governor with the banking corps

The ABJ held on Tuesday, 12 April 2016, the annual meeting of bankers with the CBJ Governor Dr. Ziyad Fareez in the ABJ headquarters. Chairmen of boards of directors, CEOs and general directors of banks working in Jordan attended the gathering.

In the meeting of bankers, the ABJ honoured the CBJ Governor and the past chairmen of the association: Dr. Michel Marto, Marwan Awadh and Bassem Khaleel Al Salem, for the efforts they exerted during their tenure.

CBJ Governor Dr. Ziyad Fareez said Jordanian economy overcame the ramifications of the hardest external shocks at this stage and that "it can resume its path towards recovery to restore the growth rates it achieved in the post-global financial crisis, especially at the medium term."

He added that international institutions, on top of which are the IMF and the World Bank, share this positive view of our economy. The IMF, he went on to say, finished a visit to Jordan to discuss the new reform program as the economic growth rate for 2016 is estimated to reach 3% because of the expected slowdown in the decline trend that some indicators of the external sector witnessed and the improvement in other indicators.

However, the governor stressed that Jordan is facing the new shock relevant to the deteriorating security situation in Syria and Iraq and its economic spillover with a much stronger stand than that during the past shock. The levels of the budget deficit, current account deficit and the losses of the energy sector are much lesser than the past.

The CBJ Governor added that the CBJ's reserves reached a very comfortable level, reflecting on substantial market indicators. The dollarization rate today is 17% compared with 24.8% in 2012. The interest rate on five-year government bonds is 4.123% compared with 7.750% at the end of 2012. The return on government bonds in dollar issued last year was 5.3% compared with 6.3% return when they were first issued.

In his analysis of the situation and challenges of the banking sector in Jordan, Dr. Fareez said the fall down in oil prices and interest rates in general would enhance local demand and compensate partially for the decline in external demand. It would also tangibly reduce the cost of debt service.

There is an increasing international recognition of Jordan's pivotal role in the region, he said. "This is expected to be translated into increased support of Jordan. The recently held London donor conference on Syria neighbours is an evidence of this and its outcomes go beyond financial aid to opening European Union markets to Jordanian goods," he added.

The governor said Jordan's consultations with the IMF reached an advanced state to enter into a new program that focuses on structural reforms to trigger growth and reduce debt levels. This is apt to help Jordan overcome the spillover of the new external shocks, he stressed.

The region has been passing through a state of political and security instability. Some neighbouring countries are going through military conflicts whose economic, social and security repercussions spread to many countries in and outside the region, including Jordan. This has affected negatively the cost of energy imports since the beginning of the Arab spring; it has affected tourism, foreign investments and exports as well, he said.

Those challenges, he added, caused a difficult economic situation as regards the budget deficit, the National Electric Power Company (NEPCO) losses, the high cost of debt service and the decline in the kingdom's reserves and liquidity of the banking sector. This was accompanied by the rise in non-performing debts in banks. Yet, Jordan faced this situation with efficiency because of the national reform program of 2012-2015.

The program, he pointed out, energized the Jordanian economy to start recovering from the severe pressures it has been going through since 2010 that reached its peak in 2012. The pressures resulted from the repercussions of the global financial crisis, the hikes in oil prices and the repeated interruptions of Egyptian gas supplies to Jordan that coincided with the Arab Spring and the influx of Syrian refugees.

The recovery process of the Jordanian economy was evidenced in the improvement in a number of

economic indicators. The budget deficit declined to 2.3% of GDP in 2014; NEPCO losses were redressed significantly, inflation rates regressed and the current account deficit fell down to reach 7.3% of GDP.

He praised the substantial role that the banking sector played in surpassing that stage, thanks to its wise management and cooperation. The kingdom's performance was highly appreciated by international economic institutions and the international community "because it is not easy to conduct reforms under conditions like those that Jordan was passing through," he stressed.

However, Jordanian economy has been confronting a new wave of external shocks since 2015, Dr. Fareez pointed out. The region, Syria and Iraq in particular, witnessed more deterioration and instability that led to a semi-total closure of the trade roads that link Jordan with those two countries or go through them into other countries like Turkey, Lebanon and the EU countries.

Fareez unveiled that right from the beginning, forecasts talked about 2015 as a tough year for Jordanian economy. Indeed, economic growth slid to 2.4% "reflecting the decline in Jordanian exports, tourism and foreign direct investment at different rates," he said.

The governor said that Jordan was clearly affected by the repercussions of the fall down in oil prices as this meant a decline in exports, expatriates' remittances and tourism income. Exports declined by 7.1%, a slowdown occurred in the growth of expatriates' remittances to 1.5%, and thus Jordan failed to achieve the desired level of budget deficit of 2015. He told bankers that decline in exports and expatriates' remittances continued well to the first two months of the current year.

However, the positive effect for the fall down in oil prices and the completion of the gas port and renewable energy projects was in reducing substantially the energy bill to 9.9% of GDP down from 21.4% in 2012.

As regards reform priorities in the next three years, Dr. Fareez said the priority is for facing the debt dilemma and burdens of debt service and making structural reforms that help trigger economic growth and overcome poverty and unemployment issues.

Despite financial control measures and reforms in energy sector, he went on to say, "we need to stress that we have a constant issue of continued public debt. We need to face our funding needs by completing the cycle of reforms in the financial and energy sectors and continue adopting more measures to trigger economic growth, especially in improving investment climate and restricting expansion in expenditures through more borrowing."

He pointed out that the government intends to implement more policy and structural reforms aiming to maintain what has already been achieved and correct structural disorders in economy to enhance job opportunities, investment environment, promote exports and raise economic participation, especially for women. He also mentioned striking more compatibility between education outputs and labour market's needs and enhancing business environment within the context of a new national reform program expected to have the support of international institutions and donors, especially the IMF, by mid-year.

The governor expressed hope that the new program would give further momentum to the economic activity after the success that the last program ending in August 2015 achieved in restoring macro-economic stability and accomplishing substantial reforms in the energy sector and the government's finances.

He added that the march of the banking sector in Jordan is successful and deserves praising. “This was achieved because of the wise management of the banking sector, and the banks’ compliance with CBJ’s instructions, as well as with the international best practices in auditing and monitoring, and because of the distinguished experiences and efficient policies that banks have in risk management. This has contributed to enhance the strength and soundness of banks’ financial conditions and advancing their ability to absorb any inconvenient shocks in the banking and macro-economic environment,” he added.

For despite of the difficult economic conditions of 2015, he went on to elaborate on this idea, the banking and financial sectors remained an essential pillar in maintaining the stability of macro-economic performance. They undertook the most important task of leading economic growth. This is evident in the rise in its contribution to economic growth that exceeded 20% of the achieved growth of 2015.

He stressed that the process of improvements and enhancing the strength of the banking sector should not stop especially in regard of the conditions of instability that the region is passing through. Priorities of the banking sector, he said, should be strengthening good governance as a culture in banks to ensure that the brains and experiences of all parties are used to take the right decisions, exploit available opportunities and manage risks in a healthy environment of responsibility, accountability and transparency.

Banks implemented various measures to develop their internal policies and enhance their internal linking and monitoring systems, continue focusing on their risk management and enhancing compliance, he said. Yet, he added, some aspects need more work to handle any existing gaps in the internal monitoring systems, especially in light of the international requirements of combating money laundering and terrorism funding, and the consequences of abiding by them.

The CBJ, he pointed out, adopted the goal of financial stability along with that of monetary stability. It started to enhance and develop pillars of financial stability by conducting a comprehensive review of legislations governing banking, laying down the necessary foundations to implement the Basel III instructions, creating a safe and efficient infrastructure for the national payments system and the payments and settlements in the kingdom, and laying down the comprehensive legal frameworks. Such frameworks, he said, would guarantee protection of the financial consumer and promote financial and banking culture in society to strengthen financial inclusion.

He added that the CBJ pins much hopes on CRIF Jordan to play its role in enhancing the MSMEs’ chances to access the necessary credit. He called on banks to give this sector the weight it deserves in their funding decisions according to the applied lending restrictions and policies.

At the level of fiscal policy, the CBJ Governor stressed the firm commitment to maintain the pillars of fiscal and financial stability in Jordan. This includes the fixed exchange rate of dinar against the American dollar, finding a suitable structure for credit and debit interest rates in the banking market, and preparing the means and conditions to increase the efficiency of this policy and improve its tools. This is especially true in light of the substantial changes that affected the work of international central banks and their ways of intervention and implementation of monetary policies in the last years, “which are the subject of our constant study and follow up,” he said.

ABJ chairman Musa Abdel Aziz Shehadah highlighted the association’s achievements of 2015, including discussing issues raised by member banks, which came up with recommendations discussed

by the board of directors, which in turn addressed member banks and relevant parties about relevant recommendations.

The ABJ, he said, organized a series of lectures, specialized training courses for bank employees, and workshops that discussed different issues like out-of-court settlements, and corporate governance. The association also organized the fourth forum for social responsibility and a seminar on creating funding windows for renewable energy projects and energy efficiency.

Shehadah pointed out to the ABJ's launching of its executive plan of 2015-2017 that reflects the vision and mission of the association, and the basic objectives identified in its bylaws.

The year of 2015 was full of numerous initiatives that the ABJ launched in cooperation with its member banks. The Martyr Pilot Muath Kassassbeh Scholarships Fund was launched to give 52 scholarships for students from all over the kingdom. An MoU was signed between the ABJ and Talal Abu Ghazaleh Group (TAG) to make use of the unused equipment in banks, so TAG would collect old computers from banks, rehabilitate and distribute them to charities and development centers in the less privileged areas.

The ABJ, he said, launched in 2015 the Amman Principles for out-of-court debt settlement in cooperation with the IFC. The ABJ also signed an MoU with the JIJ to cooperate in the field of training and organizing specialized workshops for judges in banking issues. This would contribute to expedite taking decisions in lawsuits involving banks. The association also played a role in having its member banks and the Income and Sales Department sign agreements for electronic attachments and detachments.

Shehadah highly valued the CBJ's participatory and transparent approach that gives banks the chance to express their views on all draft regulations, laws and instructions relevant to banking.

The ABJ raises the Great Arab Revolt Flag

As part of its celebrations of the centennial of the Great Arab Revolt in 1916, the ABJ raised the Revolt's flag in front of its building.

The ABJ General Director said the celebration is a confirmation of the firm principles and values of the Arab Revolt whose foundations were built by the Hashemites since the rebellion against injustice and tyranny. The revolt, he added, enhanced the values of liberty, justice and good life.

The ABJ, he added, is proud to raise the flag of right and sacrifice.

Kandah congratulated His Majesty King Abdullah II on this occasion, saying banks work to translate the values of the great revolt by strengthening their national role of serving the national economy and the country in general.

ABJ joins the UNEP FI as a supporter institution

The ABJ joined on 16 Nov. 2016 the United Nations Environment Program's Financial Initiative (UNEP FI) as a supporting institution, thus becoming the second association of banks in the region that joins the program in this capacity.

The ABJ, whose membership includes 25 banks working in Jordan, seeks to develop banking in the kingdom and to play a vital role in the sustainable development of the Jordanian banking sector. One of the ABJ purposes is to help building a sustainable banking sector that pushes Jordanian economy

towards more sustainable development.

By joining the UNEP FI as a supporting institution, the ABJ will work side by side with the UNEP FI's secretariat to enhance the concept of sustainable financing in Jordanian banking system, and to contribute to adopting and implementing sustainability practices in banking industry.

It is worth mentioning that the ABJ issued, as part of its strategic plan of 2015-2017, the Sustainability Report of the Banking Sector in Jordan, in 2016. The report shed light on success stories and challenges facing Jordanian banking sector in achieving sustainability. The report also comes up with recommendations to improve sustainability practices in banks.

ABJ publishes a survey study on SMEs in Jordan: Analysis of offer and demand aspects in focusing on means and prospects of bank financing

Out of the ABJ's mission and vision, and in light of the great importance of SMEs in the Jordanian economy, the ABJ found it right to conduct this study by adopting the method of comprehensive survey that depends on a questionnaire designed especially for the commercial banks, and another one designed for Islamic banks.

The SMEs in Jordan: Analysis of offer and demand aspects in focusing on means and prospects of bank financing is divided into five main chapters. The first chapter is an introduction that illustrates the goals, methodology of the study and the sample that it depends on. The second chapter gives an overview of the Jordanian banking sector as regards the structure, the geographical distribution, characteristics and financial depth, in addition to a briefing on the role banks play in the Jordanian economy.

The third chapter sheds light on SMEs sector in Jordan, its definition and statistics and indicators of those businesses.

The fourth chapter reviews the bank credits granted to SMEs, by researching a number of aspects relevant to the presence of units or departments and employees specialized in SMEs financing, the most important types of granted credits, the costs of credit, the levels of accepted/rejected credit requests and the reasons behind rejection, the relative size of credit portfolio, the most important collaterals that banks demand, the appropriateness of the loan guarantee program to the actual situation of SMEs, in addition to a revision of the most important CBJ initiatives to enhance credits directed to this sector, and finally, the most substantial barriers facing banks in financing SMEs.

The fifth and last chapter reviews the most important means and mechanisms that might help increase bank credits granted to SMEs, which includes recommendations targeting banks and recommendations targeting SMEs and other concerned parties.

The ABJ publishes a study on the Role of Banks and Credit Institutions in the Economic Empowerment of women: The Case of Jordan

The ABJ published a study by its General Director Dr. Adli Kandah titled the Role of Banks and Credit Institutions in the Economic Empowerment of women: The Case of Jordan.

The study handled the concept of women empowerment, its relevance to economic development and the actual situation of the economic empowerment of women in the MENA region.

The study discussed the most important barriers and challenges facing women in the MENA region, the situation of women-owned SMEs in the region, focusing on the role of banks and financial institutions in Jordan in the economic empowerment of women.

The study called for the adoption of a clear cut roadmap to enhance economic empowerment of women and their economic participation. The study recommended reforms in relevant policies and legislations, removal of barriers and challenges facing women owners of businesses, enhancing financial inclusion, and adopting economic policies supportive of women not only in Jordan but in all Arab countries as well.

The study also recommended providing job opportunities for women where they can work in dignity, and adopting practical policies to provide the right alternatives to care for the children of working women, in addition to making working conditions more suitable for women with children such as flexible working hours or less working hours for women, and allowing women to perform some parts of the job from home to help her conciliate between family and job responsibilities.

The study called for providing an empowering environment of women owners of businesses that is based on gender equality, enhancing capacities of institutions working in the field of developing women-owned businesses and gender equality, developing tools and support services provided to women-owned businesses, in addition to adopting the best international practices in the field of banking services granted to women owned SMEs.

At the domestic level, the study called for banks to develop more products and services targeting women, spreading the experience of Micro Fund for Women and benefiting of it to create more financial institutions that target providing the appropriate credit to women, in addition to taking measures to establish programs and funds that provide financing to startups owned by women without collaterals, and developing available financing mechanisms to include innovative products such as venture capital.

The ABJ Publishes Sustainability Report for the Banking Sector in Jordan

As part of its vision, mission and goals, and out of its keenness on implementing its strategic plan and operational purposes approved by the board of directors, the ABJ published the Sustainability Report for Banking in Jordan, prepared by SCEMA for the ABJ in both English and Arabic.

This is the first ever report at the country level to assess the sustainability efforts in the Jordanian banking sector through reviewing the macro sustainability of banks, monitoring positive changes that Jordanian banking system introduced at this level. The report's findings were based on the outcomes of an electronic questionnaire sent to member banks, as well as on the revision of information that banks declare, especially financial reports and sustainability reports.

The ABJ Publishes the Directory of Services, Products and Solutions offered by Commercial Banks operating in Jordan

The ABJ issued the Directory of Services, Products and Solutions offered by Commercial Banks operating in Jordan for 2016, which is an updated edition of the directory it published earlier.

The directory contains detailed and comprehensive information on the different services, products and bank services that commercial banks working in Jordan offer, arranged according to the service and the bank offering it, and a general description of the service, in addition to the name of service provider.

The ABJ takes part in the Financial Inclusion Forum: the Strategic Approach to Financial, Social Stability

The ABJ took part in the Financial Inclusion Forum: the Strategic Approach to Financial and Social Stability, which was co-organized by the Union of Arab Banks (UAB) and the ABJ between 18 and 19 Oct. 2016.

The two- days event sponsored by the CBJ was attended by the Deputy Prime Minister/ Minister of State for Investments Affairs Dr. Jawad Anani, CBJ Governor Dr. Ziyad Fareez, ABJ Chairman Musa Shehadeh and bankers and experts from 11 Arab countries: Jordan, Lebanon, Syria, Palestine, Iraq, Egypt, Sudan, UAE, Qatar, Saudi Arabia and Kuwait.

The forum highlighted the key importance of financial inclusion in achieving economic development, enhancing financial and social stability, the role of Islamic banks and economic empowerment institutions in universalizing financial services, and the role of central banks and unions of banks in enhancing financial culture and consumer protection.

The opening ceremony's highlight was awarding the CBJ Governor with the Visionary Leader of 2016, which the UAB Secretary General Wissam Fattooh announced in recognition of Dr. Fareez' incessant efforts to enhance monetary and financial stability and advancing the performance of Jordanian banking sector to international levels.

The forum issued a closing statement saying that providing the financial infrastructure is guaranteed through enhancing the geographical spread of financial institutions and developing payments and settlements systems, making use of technological advancements, providing comprehensive data bases, and creating proper legislative environment that backs and enhances financial inclusion.

The statement underlined the importance of strengthening and developing the financial education system by drawing a national strategy to enhance financial knowledge and awareness of different segments of society, especially the youth, women and MSMEs.

The ABJ takes part in Workshop on Funding MSMEs Projects

The ABJ took part in a workshop on funding MSMEs projects and the role of banks and loan guarantee corporations in ensuring credits.

The workshop was co-organized by the Jordanian Enterprise Development Corporation (JEDCO) and the Enhancement of Business Environment in the Southern Mediterranean (EBESM) implemented by the GIZ and the ABJ.

The workshop, sponsored by the Deputy Prime Minister for Economic Affairs/ Minister of Industry and Trade and Supplies Dr. Jawad Anani, had four sessions. The first discussed the key results of a study conducted to assess the policies of Jordan and other Mediterranean countries in facilitating MSMEs' access to credit. The second session discussed measures and incentives to back government's efforts to address challenges facing those enterprises, while the third one focused on the role of guarantee funds and means of sharing losses, and the fourth session highlighted the necessary packages of triggering financing of SMEs.

JEDCO's Policy Support Director, Eng. Basheer Salaitah, said there are three priorities in this respect.

The first is to expedite drafting a law on SMEs that defines this type of businesses, business incubators and accelerators and states the incentives to be granted to them, taking into account concentrating on the high value added and innovative businesses of rapid growth chances.

The second priority, he went on to say, is to facilitate SMEs' access to technical assistance regarding how to get financing. This is achieved through building capacities and training owners of small businesses and startups on running the financial aspects of their businesses, in addition to bridging the gap in communication between business owners of this type and the financial and banking institutions.

The third priority, he said, should focus on creating a one-stop-shop for such businesses that provide information and advice as to the programs, tools and products that banks, financial institutions, funds, incubators and accelerators grant to the owners of SMEs and startups.

On his part, the ABJ General Director Dr. Adli Kandah said MSMEs play a substantial role in the economies of developing and developed countries alike, in terms of their contribution to GDP and creating job opportunities.

Those businesses, he said, are the most widely spread in Jordan, as they constitute 89% of total registered companies. They have great contributions to GDP and employment.

However and despite all those contributions, MSMEs face a number of challenges that become barriers against their development, growth and augmentation. Those challenges include uneasy access to credit in general and bank credit in particular.

In this respect, he pointed out to the EU- South Mediterranean EBESM projects that include 10 countries: Jordan, Egypt, Algeria, Lebanon, Morocco and Tunisia. EBESM, he said, aims at accelerating the growth and development of MSMEs by providing appropriate business environment that is in line with the best EU practices.

EBESM, Kandah said, commissioned a study last year to assess Jordanian policies whose purpose is to facilitate MSMEs' access to credit. The study included a definition of the existing tools that help access to credit which include loans and bank facilities, guarantee funds and means of risk sharing, private equity and venture capital, Islamic leasing, micro funding and innovative funding, and other tools.

The study, he went on to say, concluded that MSMEs' access to funding is a controversial issue for many reasons such as lack of collaterals and guarantors, weak awareness, and lack of administrative capacities on the part of MSMEs.

The ABJ as well conducted a study on the issue of SMEs' funding, he pointed out. The findings of the ABJ study underlined the importance of increased cooperation between local and international bodies that support SMEs to provide guarantee programs or guarantees for the facilities granted to those businesses.

The study further called for increased compatibility of those programs by increasing the ceilings and coverage ratios of the guarantee programs. It also called for drawing clear-cut standards for giving credit that are compatible with the nature of those businesses, and to provide guarantee programs in line with the nature of Islamic banks, in addition to cooperation between local and international bodies to provide

funding at appropriate rates and reduce the cost of borrowing for SMEs.

GIZ' EBESM Director Mary Gosher said the workshop aims at creating proper business environment for SMEs and enabling them to access funding sources so that they can increase their contribution to economic development and job creation.

EBESM, she said, also aims at empowering countries to face challenges of high unemployment and the need to support the business environment of MSMEs, support market and foreign investment institutions, in addition to supporting innovation and facilitating access to credit sources.

Such tools and means, Gosher stressed, is what Jordan needs as it is reviewing currently a package of required reforms to abolish restriction on SMEs' funding and reaching sustainable solutions for SMEs, which are the backbone of Jordanian economy.

The ABJ takes part in the Jordan- France Business Forum attended by President Holland

The ABJ, represented by its chairman Musa Shehadeh and the general director Dr. Adli Kandah. took part in the Jordan- France Business Forum that was held at the Amman Chamber of Commerce in the presence of the French President Francois Holland, the Prime Minister Dr. Abdallah Nsour and a group of business leaders in the two countries.

In a working paper, Shehadeh presented the most outstanding developments that the Jordanian banking sector witnessed, the role of banks in providing funding to economic sectors and enhancing public- private partnership and achieving the desired socio-economic development.

He further presented advantages that banks working in the kingdom provide, in particular the funding instruments that target SMEs and startups. Shehadeh briefed attendees on the regulatory and legislative environment, approved by the CBJ in line with the international standards on banking especially Basel II and Basel III, that governs the work of banking.

The ABJ becomes member of MOJ's Services Committee

The ABJ General Director Dr. Adli Kandah, representing the ABJ, took part in the meeting of the Services Committee created at the Ministry of Justice (MOJ).

The Committee, headed by the Minister of Justice Dr. Bassam Talhouni, aims at reviewing litigation procedures and facilitating execution procedures at courts and other procedures of litigation.

The committee is composed of lawyers and officials at the MOJ and courts.

Energy Fund facilitates agreements of energy loans with banks

The ABJ and the Jordan Renewable Energy and Energy Efficiency Fund (JREEEF) agreed on a mechanism to facilitate and expedite agreements that six banks already signed with JREEEF and JLGC.

This was the outcome of a meeting that was presided over by the ABJ Vice-Chairman Kamal Bakri in the presence of the ABJ General Director, JREEEF's Executive President Dr. Rasmi Hamza and the Executive Director of EDAMA, Maher Matalqa.

The ABJ had presented to JREEEF proposed mechanisms by banks which were accepted by the Fund.

JREEEF confirmed in a letter sent to the ABJ that it worked on changing the way of work to accelerate and simplify procedures of service providers of solar heaters and solar cells. It also confirmed that it published an ad calling on specialized companies working in the field of installing renewable energy and energy efficiency systems to apply to JREEEF to endorse them to banks in a list that is open to beneficiaries.

JREEEF's letter further said it would fix the support ceiling for the service in order to open the door for competition among companies, give freedom of choice to beneficiaries and facilitate procedures for banks.

The ABJ Delivers MPMKF's Scholarships to Eligible Students

The ABJ handed 25 scholarships from MPMKF to eligible students accepted at state universities in the academic year 2015/2016, in the presence of MOHESR's Under Secretary Dr. Hani Dhmour.

The ABJ had launched the Martyr Pilot Muath Kassassbeh Fund (MPMKF) to commemorate the martyr, and left the Ministry of Higher Education and Scientific Research (MOHESR) to set preconditions of eligibility to those scholarships.

The remaining 27 scholarships due to have been handed this year were adjourned to next academic year because applicants did not meet preconditions.

The ABJ General Director Dr. Adli Kandah said launching the MPMKF is part of the social corporate responsibility of banks working in Jordan, and it is a token of the gratitude they feel to martyr Kassassbeh. It is a commemoration of his memory and an expression of appreciation to the Jordanian armed forces and our responsible Jordanian people.

The MPMKF targeted granting 52 scholarships, one for each of the kingdom's 52 districts. Scholarships are for the bachelor degree in specific specializations for Tawjihi graduates. Scholarships were divided to 25 scholarships that 25 students of both genders benefit of in the current academic year 2015/2016, in addition to 27 scholarships for the next academic year 2016/2017.

Dr. Kandah thanked the MOHESR for its efforts and cooperation with the ABJ to set competitive, just and transparent conditions for the scholarships in a way that enhances equal opportunities among Jordanians all over the kingdom, regardless of their material capacities and geographical distribution.

He further indicated that banks might hire beneficiary students, especially those of high ranking welling to work in banking.

On his part, Dr. Dhmour thanked banks for their initiative to give scholarships to distinguished student who are incapable of studying in official universities.

He went on to say that students are in need of those scholarships, especially with the rising living standards and tuition fees. The ministry, he said, created an ad hoc committee to draw special regulations for the ABJ's scholarships. Eligible students were selected so that the scholarship covers tuition fees.

Dhmour called on national institutions to follow in the footsteps of banks and give support to distinguished students, in addition to supporting creativity of students.

On their part, parents of eligible students expressed their appreciation of the ABJ initiative to

commemorate martyr Muath Kassassbeh by supporting academically distinguished students who are materially less fortunate to get a chance to continue their studies.

They praised banks for their role in enhancing the values of social solidarity and giving support to the less privileged. This initiative, they pointed out, reflects the spirit of corporate responsibility that banks believe in and implement. This is added to the development and economic role that banks play in the kingdom, they said.

Banks, through their association, have launched and/or took part in a number of initiatives such as support Al Hussein Fund for Innovation and Excellence, the project of spreading banking education in academic curricula, concluding agreements of internship for students of economics and administrative sciences at the universities of Philadelphia and Hashemeyya, taking part in providing financial support to Orphans' Fund, and rehabilitation of computers used by banks to be distributed on schools, in addition to providing financial support to the Jordanian Hashemite Fund for Human Development.

The CBJ launches two programs to guarantee credits for small startups

The CBJ launched on Tuesday, 1 March 2016, a program to guarantee loans of small startups, and a program for credit guarantee of small startups to be run by the Jordan Loan Guarantee Corporation (JLGC).

The programs aim at empowering banks to deal with this type of businesses as well as enabling businesses to access financing sources.

The CBJ Governor Dr. Ziyad Fareez launched the two programs in the presence of chairmen, CEOs and general managers of banks working in Jordan.

The first program aims at encouraging banks to grant long and medium term loans that fit the requirements of highly added value small businesses. The program is due to provide financing to some 1250 businesses, which are predicted to create 6000 job opportunities over ten years.

The program is to guarantee risks of bad loans with 85% of the nominal value of the loan and its due interest, provided that the loan's value does not exceed 100 thousand dinars.

The second program would give support to innovative entrepreneurs of startups to launch their businesses and benefit of financing opportunities that the program provides.

The two programs, Dr. Fareez said, indicate the key importance that the CBJ gives to SMEs, especially startups, as they are the best way to achieve sustainable economic growth and create job opportunities in light of the modest economic growth rates caused by regional conditions.

This initiative, he added, complements the previous CBJ initiatives to strengthen the bases of proper economic environment in order to create the friendly environment for investment and business, enhance the role of private sector and enable it to perform its desired role in creating more job opportunities, reducing unemployment rates and triggering economic growth.

The CBJ adopted a number of programs aiming at providing financing to high value added domestic economic sectors that include industry, tourism and renewable energy. He pointed out to the CBJ's efforts to develop payments and settlements systems, to strengthen safety and efficiency in payments and

settlements systems. It also licenced a credit bureau to facilitate decisions of granting credit and improve productive sectors' chances of accessing loans.

On his part, JLGC General Director, Dr. Mohammad Jaafari, said the program of guaranteeing loans of startups or newly-incorporated businesses is within the framework of a package of programs that the corporation is developing to complement its existing programs.

The JLGC's efforts, he went on to say, are also within the context of CBJ's policy of developing business environment and providing financing at the appropriate conditions and terms for different economic sectors, with priority to SMEs.

The JLGC is working on developing its services and programs to be supportive of SMEs, ever since the business is an innovative and original idea, a business under incorporation or an existing business seeking expansion and growth.

The 35- million- JD loan guarantee program for small startups would be financed through zero interest loans or concessionary loans to guarantee the Fund's sustainability and amplify the expected economic impact, in addition to the 10 million JD program specializing in guaranteeing Islamic financing. The total value of the two programs is JD 45 million. The CBJ's contribution to these programs, he said, would be by granting two loans of 10.3 million JD to the financing program of conventional banks and 5 million JDs for the program targeting Islamic banks.

The program is based on investing the available money for the two programs in public debt instruments or as deposits in banks. The accrued dividend would be used to cover possible losses of credits without prejudice to the value of money allocated for the guarantee program.

During the meeting, Fareez discussed the JLGC Board of Directors' decision to increase its working capital to JD 30 million with the CBJ and banks working in Jordan having stock in this increased capital and to call for an extraordinary meeting of the JLGC's general assembly for this purpose.

The said increase in capital aims at enabling the JLGC to increase the current ceilings of loan guarantees and creating new tools to guarantee loans targeting SMEs and export credit guarantees to continue supporting Jordanian exporters.

The ABJ takes part in a workshop on FATCA implementation

The ABJ took part in a workshop organized by Price Waterhouse Coopers (PWC) in Amman on the implementation of Foreign Account Tax Compliance Act (FATCA).

Experts in compliance standards and a number of executive managements in banks and financial institutions and representatives of insurance and financial mediation companies attended the workshop that was held on Tuesday, 12 April 2016.

Participants highlighted the importance of compliance with FATCA as it guarantees protection of national economy against risks of money laundering and terrorism financing. At the same time, it provides protection to local financial institutions and maintains their relationships as corresponding banks with the financial institutions in the USA and other world countries that began to follow the American example of tracking taxpayers.

CBJ Vice-Governor, Dr. Maher Sheikh Hassan, deputizing for the Governor, said banks recognize the importance of implementing the compliance plan with the the FATCA applications. All financial institutions are highly committed to this, he added.

He pointed out that the model that Jordan is considering now to conclude is the government signing an agreement with the USA to cooperate in FATCA applications so that it would report what it gets from the financial institutions to the American IRS, as a way of safeguarding the monetary and economic stability of the kingdom.

Such a model, he explained, gives more protection to banking and financial institutions, guarantees national sovereignty and is a better way of handling tax evasion not only with the USA but also with other countries that followed the American example of tracking their citizens' foreign accounts.

Dr. Sheikh Hassan said a number of countries in the region adopted this method of signing agreements through which governments provide the American IRS with reports. Those countries include Qatar, Kuwait, the UAE and Algeria. This way, he added, financial institutions are represented in the FATCA without having to sign separate agreements with the IRS.

Wherever the compliance level of financial institutions was high, there would be greater protection against money laundering, tax evasion and terrorism funding, he stressed. He further stressed that the financial sector is keen on safeguarding the kingdom's safety and on protecting itself against being exploited to make a security or economic damage.

The vice-governor highlighted the great concern with the culture of compliance, saying that the CBJ is doing its best in this regard by holding meetings with those concerned at the compliance departments in banks and providing such departments with the sufficient resources to do their job.

On his part, ABJ General Director Adli Kandah said that financial institutions that do not comply with reporting on Americans' accounts and their developments are subject to penalties, the most important of which is losing their status as corresponding banks.

Therefore, he went on to say, it is in the interest of financial institutions to comply with FATCA applications so that they are not out of the international banking system.

The ABJ, he told attendees, was among the first to highlight the FATCA to raise awareness of it and make banks avoid the consequences of non-compliance.

Kandah called for making use of the FATCA to sign a agreement on double taxation between Jordan and the USA, although FATCA takes this issue into account.

The managing partner of PWC, Michel Orfalli, said financial institutions, banks in particular, have a complete idea about FATCA applications. It is important that insurance and financial mediation companies and investment companies have knowledge of FATCA applications, he said.

Orfalli highlighted the agreement that the Jordanian government would sign with the IRS, saying that such an agreement would regulate the relationship between Jordanian financial institutions and the IRS, as the government would report tax reports on behalf of those institutions. This way, reporting would be easier and protection would be provided to financial institutions and this would guarantee that FATCA compliance rules are not changed.

Experts Mohammad Araji and Fadi Boukran presented applied procedures in FATCA applications.

The ABJ takes part in a JLGC Workshop

The ABJ took part in the workshop co-organized with the JLGC on 6 Oct. 2016 under the sponsorship of CBJ Governor.

The workshop aimed at understanding the Korean experience in loan guarantees, especially for SMEs.

ABJ's General Director said the workshop is part of an 8 months program supported by the CBJ to exchange knowledge, expertise and visits between Jordan and Korea in many fields, especially financial services.

The Korean experience in loan guarantees for SMEs in particular is especially important, Dr. Kandah said. He described the Korean experience as "one of the richest experiences in this respect worldwide."

CBJ Vice-Governor, Dr. Maher Sheikh Hassan, deputizing for the Governor, attended the workshop along with a number of banks' directors and employees working in loan guarantees for SMEs.

JLGC General Director Dr. Mohammad Jaafari, said that SMEs play a key role in the national economy in terms of contribution to GDP, job creation and efficiency in capital gearing.

However, and despite those advantages, SMEs do not have proportionate percentage of facilities that banks in the kingdom grant. This is a genuine challenge that faces SMEs, he said.

Jaafari named other challenges facing SMEs such as the lack of financial statements regarding their activities, the lack of a credit register and the weak collaterals. It is in this regard that the JLGC can step in and act like a tool to support SMEs and help them overcome challenges, he said.

The JLGC general director said the guarantees that the corporation provides help to achieve its purposes of financial inclusion and strengthen the capacities of companies working in the market.

Yet, he pointed out that the guarantee ceiling in Jordan is still low, whether as a value or as a percentage of GDP.

As regards the future developments of loan guarantees in Jordan, Jaafari said there are new tools coming, such as the Jordan Innovation Fund that would contribute to support startups. The fund is created by the CBJ in cooperation with the World Bank. The ceiling of loan guarantees of the JLGC is raised to enable the corporation to perform its new tasks; the CBJ and banks agreed to take shares in the JLGC and increase its capital to JD 30 million.

Experts from the Korean Loan Guarantee Corporation, Jung Jo Lee and Sun Yung Hong, explained regulations of loan guarantees and means of financing SMEs in Korea, in addition to the loan guarantees programs in some countries such as Taiwan and Japan.

They also handled the developments in the programs of loan guarantees and financing SMEs that started in 1960.

The ABJ takes part in the financial education's steering committee's meeting

The ABJ took part on Tuesday, 12 July 2016, in the meeting of the Steering and Technical Committee

of Financial Education held at the CBJ.

The meeting, headed by CBJ Governor and attended by committee members, discussed developments of the financial education program in schools, the project's financial situation, the CBJ's procedures to review and audit the project's financial statements, and appointing an external auditor to audit the project's accounts of 2015 and determine his/her fees.

The ABJ takes part in Italian Embassy's Workshop on SMEs, Startups

The ABJ took part in a workshop organized by the Italian Embassy in Amman on Thursday, 10 March 2016, in cooperation with the EBRD, the CBJ, the ABJ and CRIF Jordan.

The workshop discussed the importance of enabling SMEs and startups to access financing sources because of their role in achieving economic growth and creating job opportunities.

Participants highlighted the importance of developing the Jordanian experience by mimicking the Italian experience in this field. They discussed the Italian model of SMEs' financing and success stories in this regard, and their role in achieving growth and ways of enhancing SMEs' financing.

CBJ Governor Dr. Ziyad Fareez said that achieving sustainable economic growth and enabling SMEs are some of the national priorities that we work hard to achieve.

Such businesses are extremely important for the national economy, as they constitute 95% of total registered companies. They play a vital role in economic growth and combating poverty and unemployment as they hire about 70% of the labour force in the private sector and contribute some 40% to the GDP, Fareez said.

The Governor reviewed the government's and CBJ's efforts to enable SMEs access financing sources. The most important difficulties facing those businesses are providing collaterals, lack of credit information and insufficient knowledge of banks as regards this type of financing.

The government and the CBJ, he pointed out, sought to facilitate financing of those businesses by tailoring financing programs in cooperation with international donors. "We have also created a credit bureau and a national fund to finance startups and another fund to guarantee those loans," he said.

On his part, the Italian ambassador to Amman Giovanni Brauzzi said that strengthening SMEs in Jordan by expanding financing opportunities is a basic pillar of Jordanian development strategy.

The Italian economy, he added, greatly depends on SMEs as they account for 90% of this economy. They play a vital role in economic growth and development.

Jordanian and Italian exports to each other amount to 600 million Euros annually.

Italian exports to Jordan include generators, oil products and jewellery, while Jordanian exports to Italy include gold, jewellery, aluminum, raw and manufactured fertilizers and textiles.

The economic similarities and distinguished political relations encourage Italians to support Jordan. This was confirmed during the London Conference when Italy announced a support of \$400 million to Jordan and Lebanon to help them respond to the challenges of Syrian refugee crisis, in addition to the technical and financial support.

ABJ Chairman Musa Shehadeh said that the Jordanian economy suffered over the past years of a number of pressures and challenges resulting from the regional political and security conflicts and turmoils, especially in neighbouring countries.

Those challenges strained the already limited resources of Jordan, stretched out the infrastructure of the national economy and hindered the process of economic development, including in the SMEs sector.

Those exceptional circumstances and burdens increased the need for exceptional investment programs that the international community undertook to enable Jordan maintain performing its tasks and responsibilities towards the world on the one hand and achieving economic growth on the other. This, he said, requires more concessionary financing programs and guarantee programs directed to facilitate SMEs' access to financing, which suffer from weak access to financing that does not exceed 9% of total facilities at its best.

The IFC Regional Director Dr. Ahmad Atiga said supporting startups and SMEs to access financing sources is an IFC strategy for Jordan. This includes a comprehensive support to ameliorate the regulatory and legal environment to access financing, which is in turn composed of granting loans to SMEs and consultation to banks and non-banking financial institutions in the kingdom.

EBRD head of resident office in Amman Heike Hamgart said SMEs' access to financing is a strategic concern for the EBRD as it is regarded as the backbone of any given economy.

SMEs are the major type of businesses in Jordanian economy and they are the biggest generators of job opportunities and comprehensive economic growth.

The ABJ General Director said the workshop is important in that it brings together local and international parties concerned with SMEs' financing: banks, the organizers, the CBJ, international and regional donors and companies' representatives at the Chamber of Commerce and Chamber of Industry.

The workshop, he said, presented success stories to the partners. It tackled the financing tools, giving this issue the priority it deserves, setting annual goals to increase volume of financing to these businesses compared with the total volume of financing.

Tomas Rahn, GIZ representative to the workshop said in a working paper on promoting financial inclusion by enhancing governance in micro sized businesses that Jordan ranks third at the regional level in terms of the number of institutions that lend micro businesses. The financing process started almost 20 years ago at an annual growth rate of 20%. The number of borrowers in those 20 years reached 340 thousand active borrowers with a total amount of \$ 222 million.

In a working paper on the role of USAID in supporting SMEs to access financing sources, the USAID representative said the problem of financing SMEs is not a question of shortage in money or financing sources, rather it is an issue of lack of knowledge of how to attract and run investments, gain the confidence of funders and the availability of assets against colaterals.

He pointed out to the Jordan Competitiveness Program which aims to enhance the competitiveness of the economy of knowledge that includes clean technology, health care, bio sciences and ICT. He also drew attention to the Jordanian loan guarantee program implemented in cooperation with Overseas Private Investment Corporation (OPIC), which gives loan guarantees to SMEs in Jordan that amount to

\$ 250 million in cooperation with a number of banks working in the kingdom. He also touched upon the program of building institutional capacities in the field of energy, and the program of supporting local companies.

Alberto Castronovo reviewed the Italian experience in financing SMEs. Cairo- Amman Bank also reviewed its experience in this respect and its interest in this type of financing. CRIF Jordan General Director Ahmad Amoudi reviewed the services of CRIF Jordan such as providing credit information on individual and corporate customers, the matter that would facilitate taking an investment decision by banks and accelerate procedures of financing.

The ABJ takes part in the Arab Banking Complementarity Conference

The ABJ, represented by its chairman Musa Shehadeh and its general director Adli Kandah, took part in the Arab Banking Complementarity Conference organized by the Union of Arab Banks (UAB) in Beirut between 30 – 31 March 2016.

Shehadeh presented a working paper on the Elements of Arab Banking Complementarity in which he underlined that cementing Arab rapprochement and building genuine partnerships that represent Arab economic complementarity are the most important pillars of reviving Arab economies.

He reviewed the most important advantages of Arab economies and challenges that restrain banking complementarity. Arab economy has been facing many grave challenges and risks for more than five years the matter that affected development rates and weakened different economic sectors, he said.

The most important of those challenges is the increasingly volatile conflicts, in addition to the fall down in oil prices that forced many oil exporting countries resort to their financial reserves and financing choices and seek to control public finances. This has indicated the need to a growth led by the private sector, and a diversification of economic activities and providing more job opportunities especially as the unemployment rates hiked to exceed 16%.

Shehadeh called for adopting a package of policies and measures to overcome challenges and face pressures, to strengthen and rehabilitate the Arab economic structure to become an active leverage for comprehensive development, and to surpass structural disorders that Arab economies suffer from, and enhance transformation from consumer countries into productive societies whose production surpasses the needs of their local markets and goes for the global markets.

He said that those policies and measures should include restoring confidence in the Arab political environment and enhance political and security stability, adopting clear cut working programs to achieve comprehensive and sustainable economic development with a focus on increasing transparency, enhancing corporate social responsibility and following principles of good governance.

Policies also include promoting market economies in a free and just competition for all, expanding Arab economic cooperation and incorporating big companies and projects inside Arab countries, focusing on promising sectors that have biggest impact on Arab economic development, making use of success stories in many Arab countries in different sectors and duplicate them in other countries, and adopting clear and practical strategies to support SMEs in Arab countries.

Shehadeh drew attention to the successes of Arab banking sector, in terms of strength and stability.

Arab banks, he said, proved evident resilience against all challenges and improved their status worldwide.

The Arab banking sector enjoys many elements and characteristics that make it the engine of growth in Arab countries.

Many indicators point to the importance of Arab banking sector, Shehadeh said. There is about 500 banking corporations in Arab countries that include commercial, Islamic and specialized banks. Their assets exceeded \$ 3.1 trillion by the end of 2015, which account for 110% of Arab GDP. Customers' deposits in Arab banks amount to \$ 2 trillion. Credits granted by Arab banks reached almost \$1.7 trillion.

On his part, Dr. Adli Kandah presented a working paper on The Role of Financial Surplus in Reconstruction Stage: Towards an Arab Marshall Plan.

Arab financial surpluses, he said, come from four sources: Public budgets, sovereign Funds, Arab deposits abroad, and Arab banks and stock markets.

Assets in Arab banks are estimated at \$ 3.3 trillion, the assets of Arab stock markets amount to one trillion dollars, in addition to \$ 1.8 trillion in the six main Arab sovereign funds.

The paper also discussed the repercussions of the fall down in oil prices on Arab economies and the volume of Arab financial surplus, as oil is the main source and backbone of Arab oil exporting economies. It accounts for a big chunk of GDP and economic growth is closely linked to oil prices. The fall down in oil prices affects government income, and rates of GDP, employment, and private, public and public-private investments.

Kandah pointed out to the most important outcomes of the survey study that the ABJ conducted on the bank financing of SMEs in Jordan and the most important recommendations as regards banks and SMEs.

The conference came up with a number of recommendations that target enhancing banking and economic complementarity in the Arab region. Recommendations are as follows:

- Activating the role of Arab banks in financing SMEs, directing Arab investments towards development sectors and projects, working to develop Arab stock markets, highlighting investment opportunities to Arab capital owners and making sure they are directed to investment in real economy.
- Underlining the priority of achieving Arab banking complementarity by creating a cross border Arab banking group capable of having a bigger role in international financial circles. Furthermore, expanding Arab economic cooperation to move from the inter-Arab trade into joint Arab investment, and incorporating cross border companies and projects to facilitate implementing high cost mega projects that no Arab country can do easily alone.
- Finalizing the implementation of a free trade zone, and creating an Arab customs union and an Arab investment zone to deepen Arab economic cooperation, incentivizing inter-Arab trade and investments, achieving genuine economic partnership by reviving the Arab common market, launching the Arab common clearing house and laying down the foundations of a common Arab monetary market.
- Expanding the network of telecommunications and joint cooperation with banking unions, international regulatory and monitoring commissions, and providing infrastructures necessary for expansion in financial inclusion and creating a favourable regulatory, legal and monitoring environment.

- Giving the private sector a greater role in achieving economic complementarity, by involving it in trade negotiations, encouraging it to invest in Arab countries, guarantee free mobility of Arab investors and businessmen in Arab countries to activate trade relations and provide investment opportunities.
- Exploiting the excess liquidity in Arab banks and sovereign funds to build portfolios that invest in the comparative advantages of each Arab country to create an Arab economic and banking complementarity in the public and private sectors.
- Finalizing a project to link payments system between Arab banks to achieve easy, free and safe capital mobility, enhance trade and investment flow and capital mobility between Arab countries, and creating a common Arab commission to follow up the issues of money laundering and terrorism funding in Arab countries.

ABJ General Director takes part in activities relevant to ABJ's work

The ABJ General Director Dr. Adli Kandah took part in a number of activities relevant to the Association's work and that of the banking sector in general.

Dr. Kandah took part in the presentation organized by Sigma Financial Consultancy LLC on 9 Oct. 2016 to discuss the effect of IFRS 9 on Jordanian banking sector, the practical ways of running credit portfolios and relevant activities, in addition to the effect of international financial reporting standards on shareholders in banks and on their presidents.

Kandah also took part in the meeting of the higher committee on following up and implementing the MPMKF grants that took place at the MoHESR on 17 Oct. 2016 to follow up on procedures to grant scholarships from the Fund. ABJ member banks agreed to implement the MPMKF's 27 scholarships that have not been used in the past year of 2015/2016 because conditions did not apply on applicants, and to grant them in the academic year 2016/2017.

ABJ participates in the 3rd Jordan International Oil Shale Symposium

ABJ's General Director Dr. Adli Kandah took part in the 3rd Jordan International Oil Shale Symposium, organized by the Ministry of Energy and Mineral Resources in cooperation with the Colorado School of Mines and international oil shale companies working in Jordan.

The symposium, which was held at the King Hussein bin Talal Conferences Palace, Dead Sea between 21 and 22 Nov. 2016, discussed issues of financing investment projects in oil shale industry and current challenges.

The two day symposium that gathered mining companies and specialists in oil shale also discussed the latest technologies in oil shale mining and exploitation in the different parts of the kingdom, as well as attracting international companies' interest in mining in Jordan.

Participants, who included senior academincs, researchers, environmentalists and service providers to the industry, discussed strategies and policies of exploiting non-conventional raw materials as alternative energy sources, oil shale in particular, and the economic and investment challenges facing this option and managing environmental and social problems.

Dr. Kandah said in presenting his working paper that banks always work to meet the market needs of

funding and thus they create financial products that suit the customers' needs whether big companies or MSMEs, especially in mining and energy generating.

He drew attention to a number of programs launched by the CBJ to which banks reacted positively to provide appropriate financing to companies, including those working in the mining and energy sectors. There are also programs to provide green financing that pays greater attention to the environmental sustainability by financing green buildings and projects that comply with environmental requirements and reduce water and energy consumption.

Oil shale companies investing in Jordan gave a power point presentation of the development of their work in Jordan. Participants also discussed the forecasts of leading international companies as regards energy and oil prices in the near future.

The symposium focused on challenges facing oil shale development projects in Jordan and worldwide, and discussed local and international developments and challenges facing the energy industry in the world.

The ABJ takes part in Jordan Investment Fund Meetings

The ABJ and chairmen of boards of directors of banks working in Jordan and big companies took part in the meeting presided over by the Deputy Prime Minister for Economic Affairs/ Minister of Industry and Trade and Supplies Dr. Jawad Anani on Thursday 30 June 2016.

The meeting aimed to discuss the Jordan Investment Fund (JIF) and the company to be created by it.

Dr. Anani called on Jordanian banks, big companies, individuals and sovereign investment funds all over the world to have a stake in JIF and the subsidiary company. He suggested that banks can have shares in the company that would identify and implement projects that Jordan needs and that would positively affect Jordanian economy.

In press statements following the meeting, Anani said that His Majesty the King paved the way for the incorporating law of JIF, and the Parliament endorsed it to attract the investments of banks and Arab sovereign funds, private sector institutions and individuals.

There is a great interest in the development and entrepreneurial projects that would be beneficial for the national economy and shareholders, he said.

The idea of JIF, he explained, is based on profit to attract the money that Jordan needs to implement mega projects in strategic and development sectors like transportation, energy, water, infrastructure and others.

The projects that JIF is considering are the national railway network, the electricity interconnectivity project with Saudi Arabia, the pipeline to transfer crude oil and fuel derivatives to the Jordan Petroleum Refinery Company and consumption and storage points, developing infrastructure at the Custodian of the Two Holy Shrines City project and a recreational estate project in Matal in Aqaba, in addition to any other projects that the Cabinet approves, based on a recommendation from the fund's board of directors.

Anani encouraged sovereign investment funds of different countries to contribute to this company that will be for profit and independent. A number of sovereign funds, he said, expressed interest in

buying shares in the JIF affiliate company which is expected to be launched in the current year.

The company's capital is not determined yet, although Anani expected it to be in billions of dollars.

The law stipulates that the fund's board of directors is to be headed by the prime minister, with members including ministers of planning and international cooperation, finance, energy and industry, trade and supply, head of the Investment Commission, in addition to three members chosen by the Cabinet.

E. ABJ Publications in 2016

The ABJ published the following in 2016:

■ **The Annual Report:** The ABJ published its 37th annual report for 2015. It included developments of the banking sector in 2015 as regards liquidity, assets and liabilities, and capital. It also contained analysis of the comparative performance of banks in the kingdom and the new banking products introduced by banks, the development of human resources in banks, the number of bank branches all over the country. The report further shed light on the prospects of global and regional economy, a summary of global and national economic developments and the most important activities of the ABJ in the said year.

■ **Directory of Services, Products and Solutions offered by Commercial Banks operating in Jordan:** The ABJ issued in 2016 an updated edition of the Directory of Services, Products and Solutions offered by Commercial Banks operating in Jordan, which aims to shed light on services offered by commercial banks, and to enhance the banking knowledge of customers of commercial banks, whether individuals or corporate. The directory contains detailed and comprehensive information of the different services, products and bank services that commercial banks working in Jordan offer, arranged according to the service and the bank offering it, and a general description of the service, in addition to the name of service provider.

■ **A Survey Study on SME's in Jordan «Analysis of supply-side and demand-side focusing on bank financing»:** The ABJ published a survey study on SMEs in Jordan: Analysis of supply and demand aspects in focusing on means and prospects of bank financing.

The study adopted the method of comprehensive survey that depends on a questionnaire designed especially for the commercial banks, and another one designed for Islamic banks.

The study has five main chapters. The first chapter is an introduction that explains the goals, methodology of the study and the sample it depends on. The second chapter gives an overview of the Jordanian banking sector as regards the structure, the geographical distribution, characteristics and financial depth, in addition to a briefing on the role banks play in the Jordanian economy.

The third chapter sheds light on the actual situation of SMEs in Jordan. The fourth chapter reviews the bank credits granted to SMEs, by researching a number of aspects relevant to the presence of units or departments and employees specialized in SMEs financing, the most important types of granted credits, the costs of credit, the percentage of accepted/rejected credit requests and the key reasons behind rejection, the relative size of credit portfolio, the most important collaterals that banks demand, the appropriateness of the loan guarantee program to the actual situation of SMEs, in addition to a revision of the most important CBJ initiatives to enhance credit directed to this sector, and finally, the most

substantial barriers facing banks in financing SMEs.

The fifth and last chapter reviews the most important means and mechanisms that might help increase bank credits granted to SMEs, which includes recommendations targeting banks and recommendations targeting SMEs and other concerned parties.

■ **Sustainability Report for the Banking Sector in Jordan:** The ABJ published the Sustainability Report for Banking in Jordan, prepared by SCEMA for the ABJ in English and Arabic. This is the first ever report at the country level to assess the sustainability efforts in the Jordanian banking sector through reviewing the macro sustainability of banks, monitoring positive changes that Jordanian banking system introduced at this level. The report's findings were based on the outcomes of an electronic questionnaire sent to member banks, as well as on the revision of information that banks declare, especially financial reports and sustainability reports.

■ **ABJ Series of Booklets**

- Booklet # 1: Amman out of court Principles
- Booklet # 2: The Role of Banks and Financing Institutions in Women Economic Empowerment, Focusing on the Jordanian Case
- Booklet # 3: Comparative Performance of Banks Working in Jordan during 2014, 2015.