

Law No. 44 of 2015

The Money Exchange Business Law

Article 1. This law shall be cited as 'The Money Exchange Business Law of 2015' and shall come into force on the date of its publication in the Official Gazette.

Definitions

Article 2.a. The words and expressions used in the law shall have the meanings assigned thereto hereunder unless the context indicates otherwise:

- Bank** : The Central Bank of Jordan
- Board** : The Board of Directors of the Central Bank of Jordan
- Governor** : The Governor of the Central Bank of Jordan
- Foreign Currency** : Any currency, claim, balance or credit in any currency other than the Jordanian currency
- Precious Metals** : Gold, silver or platinum bullions, or gold, silver or platinum ownership certificates, as well as gold, silver or platinum in any state or form except being manufactured
- Money Exchange Business:** Dealing in foreign currencies and/or precious metals
- Company** : A company licensed to practice money exchange business activities in accordance with the provisions of this law.
- License** : A license issued by the Board to practice money exchange business activities

b. The definitions used in the Banking Law shall be used wherever they appear herein unless the context indicates otherwise.

General Provisions

Article 3.a. No person shall practice money exchange business without first obtaining a final license in accordance with the provisions of this law.

- b.** No company shall be registered with the competent official authorities entrusted with the registration of companies to practice money exchange business except after obtaining the preliminary approval of the Board.

Article 4. Subject to the provisions of the Labor Law and regulations issued thereunder, a company must obtain the approval of the Board to employ a non-Jordanian and according to the quota determined by the Board for this purpose.

Licensing of Money Exchange Companies

Article 5.a. Notwithstanding the provisions of the Companies Law, the conditions and requirements for licensing, the types of companies that may be licensed and the minimum capital that they may hold, shall be defined in accordance with a regulation to be issued for this purpose.

- b.** The activities that a Company may practice as stipulated in Article 16 of this law, as well as the amount and type of the financial guarantee that must be submitted, shall be defined in accordance with a regulation to be issued for this purpose.

Article 6.a. The license application shall be submitted to the Bank on the form approved for this purpose, stating the following information:

1. The type and location of company.

2. The amount of capital and the way it is paid.
3. The names and nationalities of the founding partners of the Company, stating whether any of the founding partners is an ally to another founding partner.
4. Any additional information that the Bank considers necessary, especially regarding any founder who has contributed with 5% or more of the Company's capital.

b. The following items shall be attached to the license application:

1. The Articles of Association and Statute of the Company.
2. The organisational structure and business plan of the Company.
3. The proposed projected budget for the first three years of the company's operations and the criteria adopted for its preparation.
4. Any other requirements determined by the Board.

Article 7.a.1. The Board shall issue its decision regarding the license application submitted thereto within ninety days of the date of its submission, whether in the form of preliminary approval or rejection, and shall inform the license applicant of this decision.

2. If the Board does not issue its decision within the period stipulated in Clause 1 of this paragraph, the application shall be considered rejected *ipso facto*.

b. If the Board issues a decision of preliminary approval of the license application, it shall specify in the said decision the requirements and conditions that must be met in order to obtain the final license, including the following:

1. The Company's minimum capital and how it shall be paid.
 2. The amount of payable fees.
 3. Completion of all incorporation and registration procedures of the company.
 4. The type and amount of the financial guarantee that must be submitted.
 5. Statement of equipment, supplies, and real estate required for the operations of the Company.
 6. Any other requirements or conditions determined by the Board.
- c. The preliminary approval shall be deemed null and void *ipso facto* if the applicant for licensing does not fulfil the licensing requirements and provisions set out in Paragraph (b) of this Article, within one year of obtaining the preliminary approval.

Article 8.a. Upon completion and fulfilment of the requirements and conditions for obtaining the final license as set out in Paragraph (b) of Article 7 of this law, the Board shall issue, after carrying out the proper inspection, the final license to the Company within sixty days from the date of completion of these requirements and conditions in accordance with the following:

1. The final license shall be valid for a period of one year for the first time and periodically renewable for a period of three years on condition that the Company abides by the conditions set for obtaining the license.
 2. The final license shall only be transferable with the approval of the Board.
- b. The decision of the Board granting the final license shall be published in two local daily newspapers.

Article 9. The Bank shall keep a special record for each Company, including its name, the address of its main office and branches.

Article 10. The Company shall keep at its main office the following:

- a. Its Articles of Association and Statute.
- b. A register of the names of partners or shareholders in the Company and the number of their shares or contributions.
- c. Documents of the minutes of meetings of the board of directors, management body, and audit committee, as applicable.
- d. Minutes of the meetings and resolutions of the general shareholders assembly.
- e. Annual reports of its operations, closing financial statements, financial records and reports of its chartered accountant.
- f. Any other requirements specified by the Governor.

Article 11. The Company may not carry out any of the following acts except after obtaining the prior approval of the Board:

- a. Make any amendment to its Articles of Association or Statute.
- b. Open a branch inside or outside the Kingdom.
- c. Stop operating.
- d. Change its location or the location of any of its branches.
- e. Change the amount exceeding the minimum capital requirement.

Article 12. None of the partners or shareholders in the Company may engage in the following:

- a. Borrowing from the Company.
- b. Granting loans to the Company except in accordance with instructions issued by the Board for this purpose.
- c. Holding current accounts, trusts or others, with the Company.
- d. Be a partner, shareholder or owner of any other money exchange company with the exception of owning shares in public shareholding money exchange companies up to a limit of no more than 10% of the capital of each invested company.
- e. Be a member of the board of directors or management body, or the general manager of any other money exchange company.
- f. Using his personal account(s) in any transactions attributable to the Company.
- g. Exploiting Company's funds for purposes other than those specified for its activity.

Article 13.a. A person nominated for the chairmanship or membership of the Company's board of directors or management body must fulfil the following conditions:

1. Be no less than eighteen years old.
 2. Be of good conduct.
 3. Must not be a board member, general manager or employee of any other company.
- b. The Governor shall have the right not to approve the nomination of any person to the chairmanship or membership of the board of directors of the Company if the Governor finds that the nominated person does not fulfil any of the conditions listed in Paragraph (a) of this Article.

Article 14.a. The chairman or any member of the board of directors or management body of the Company shall lose his membership by virtue of a decision by the Governor in any of the following situations:

1. If he no more fulfills any of the conditions stipulated in Article 13 of this law.
2. If the Board requests the dismissal of the chairman or any of the members of the Company's board of directors, provided there are justifications for this.

b. Anyone who has lost his membership of the Company's board of directors or management body for any of the reasons listed in Paragraph (a) of this Article may not become a member of the board of directors of any company or work therein without obtaining the prior written approval of the Governor.

Article 15.a. The conditions relating to the partners in money exchange companies or the conditions that must be met to fill the general manager or senior management posts of the Company shall be set out in a regulation to be issued for this purpose.

b. The Governor shall ensure that the fit and proper conditions are met in accordance with the provisions of Paragraph (a) of this Article.

Article 16. The Company shall practice the buying, selling and exchange of currency notes and foreign coins and any of the following activities in accordance with the license granted thereto by the Board:

- a. The buying and selling of cheques denominated in a foreign currency.
- b. The buying and selling of precious metals.

- c. The import and export of foreign banknotes, coins, and precious metals.
- d. The sending and receiving of financial transfers.
- e. Any other activities or services approved by the Board.

Article 17. The Company shall commit to the following:

- a. Comply with the provisions and procedures relating to Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) and weapons proliferation, as regulated under the relevant legislation or any instructions issued by the Board in this respect.
- b. Comply with the Board's instructions relating to the ratios of soundness of its financial positions and limits.
- c. Buy and sell foreign currency at the prices set by the Governor.
- d. Display to the public in a visible place in its location the buying and selling prices of foreign currencies.
- e. Display its license in a visible place in its location of business.

Article 18. In accordance with instructions issued by the Board, the Company may engage in the following:

- a. Hold accounts in foreign currency with foreign banks.
- b. Deal with money exchange and money transfer companies outside the Kingdom.

Article 19.a. The Company may obtain credit from banks licensed in the Kingdom in accordance with instructions to be issued by the Board for this purpose.

- b.** The Company may borrow from outside the Kingdom provided that it obtains the prior approval of the Governor.

Article 20. The Company may not engage in any of the following activities:

- a. Opening current accounts or accept any type of deposits or trusts, or invest other people's money in any way except for the accounts opened for dealing with other companies with respect to the activities licensed thereto.
- b. Granting loans or any type of credit.
- c. Broadcasting or publishing anything that might cause disruption in the foreign currency markets or cause a sudden sharp change in the buying or selling prices of such currencies.
- d. Refraining from selling any foreign currency when it is available with the Company.
- e. Overdrafting its bank accounts inside or outside the Kingdom under any circumstances.

Article 21. The Company shall commit to the following:

- a. Document its dealings with its customers by means of invoices and records of outgoings in accordance with the instructions issued by the Board for this purpose, and keep these invoices and records in the manner and for the periods stipulated under the said instructions and the legislation in force.
- b. Keep orderly records and accounts in accordance with the provisions of the legislation in force and prepare final financial statements in a comprehensive manner and in a

form that reflects the reality of its financial position as per the instructions issued by the Board for this purpose.

- c. Provide its customers with copies of any invoices or notices relating to their dealings with the Company.

Article 22. The Company shall provide the Bank with the following:

- a. The information and periodic statements that the bank requests in accordance with the provisions of this law and the regulations and instructions issued thereunder.
- b. The final financial statements audited by a chartered accountant within a period not exceeding ninety days from the end of the fiscal year.

Article 23.a. The Board shall prepare a list of licensed chartered accountants, taking into account the criteria and conditions that must be met in order to audit money exchange companies. The Company shall then choose from this list a chartered accountant to appoint for its accounts for the fiscal year in question, so as to undertake the following:

- 1. Check that the Company is keeping its records in accordance with the provisions of this law.
- 2. Review the internal control and audit procedures, monitor their efficiency, and provide his/her recommendations with respect thereto.
- 3. Submit an annual report on the results of his/her audit of the Company's accounts, showing the reality of its financial position and attaching his/her opinion on these accounts.
- 4. Immediately inform the Bank in writing if he/she discovers anything that might have a negative effect on the financial or administrative conditions of the Company.

5. Immediately inform the Bank in writing if he/she discovers any violations of the law in the Company or any illegal activities.
 6. Submit any other reports requested by the Board by virtue of instructions issued for this purpose.
- b.** If for any reason the Company fails to appoint a chartered accountant in accordance with the provisions of Paragraph (a) of the Article within a period not exceeding 120 days from the beginning of the fiscal year, the Governor may appoint a chartered accountant in return for a fee to be set by the Governor and to be paid by the Company.
- c.** The Governor may, by a justified decision, appoint a chartered accountant to audit and review the Company's accounts in addition to the chartered accountant that the Company is required to appoint in accordance with the provisions of Paragraph (a) of this Article. The Governor shall determine the chartered accountant's term and scope of work, as well as the fees payable by the Company.

Article 24.a. The Company shall be subject to inspection by the Bank or the chartered accountant who shall be appointed for this purpose at the expense of the Company. Moreover, the Company shall cooperate therewith to enable them to perform their tasks in full.

- b.** The inspectors of the Bank shall undertake the following:
1. Accessing, examining and inspecting the Company's accounts, records and documents.
 2. Requesting any data or information that they deem necessary.
 3. Requesting the Company's management to provide them with any information the Bank or the chartered accountants consider necessary for this purpose.

4. Accessing or examining any data whether on computers or any other devices or equipment, and accessing any system and obtaining outputs. The Company shall enable the inspector to access any system or device inside the Company for the purpose of obtaining the information and data necessary for performing his/her work.
- c. The Company shall cooperate with the Bank inspectors authorised in accordance with the provisions of this Article in such a way as to enable them to undertake their work as per the provisions of this law and the instructions issued thereunder. The bank inspector shall have the right to seize any records, documents or devices, if necessary.

Article 25. The Company may not merge with any other company without obtaining the prior written approval of the Board in accordance with the instructions issued to this end.

Article 26. In case the Company violates any of the provisions of this law or the regulations or instructions issued thereunder, or the provisions of any other legislation, or violates any of the provisions of legislation relating to the transfer of money, the Board shall have the right to impose any of the following procedures or penalties:

- a. Send the Company a written notification to rectify the violation within a period specified in the notification.
- b. Send the Company a written warning to rectify the violation within a period specified in the warning.
- c. Prevent it from engaging in any of its licensed activities for a period the Board shall specify provided it does not exceed one month at the most.

- d. Close the Company for a period to be specified by the Board.
- e. Impose a fine on the Company not exceeding JOD 5,000 for each violation, which shall be doubled in case of recidivism. However, the said fine shall not exceed JOD 100,000.
- f. Instruct the Company to temporarily suspend from service any administrator, other than a member of its board of directors, or dismiss such administrator, depending on the gravity of the violation.
- g. Remove the chairman of the board of directors or any of its members.
- h. Dissolve the Company's board of directors and entrust its management to a committee of experienced people appointed by the Governor for a period of no more than twelve months, which period the Governor may extend for a similar term.
- i. Revoke the license.

Article 27.a. The Board may issue a decision to revoke the Company's license in any of the following circumstances:

1. If the license is granted based on false information contained in the license application or the documents submitted.
2. If it does not practice its activities within one year from the date of issue of the license.
3. Upon the Company's request.
4. If it merges with another money exchange company without the prior approval of the Board.

5. If a decision is taken to liquidate the Company for any reason.

- b. The decision to revoke the license referred to in Paragraph (i) of Article 26 of this law and in Paragraph (a) of this Article shall be published in two local daily newspapers.

Article 28. If a decision is taken to revoke the Company's license without the Company requesting it, the Company shall be considered as being under compulsory liquidation. The Company shall be liquidated and a liquidator shall be appointed in accordance with the provisions of the Companies Law.

Article 29. A person who violates the provisions of Paragraph (a) of Article 3 of this law shall be punished with imprisonment for a period not less than one month nor more than one year, and with a fine of no less than JOD 3,000 and no more than JOD 20,000. In case of recidivism, this penalty shall be doubled.

Article 30.a. The address of the main office of the Company, or its P.O.Box number, email or fax, as provided to the Bank by the Company, shall be registered and used for the purposes of notification in accordance with the provisions of the legislation in force, this law and the instructions issued thereunder. No change that may occur to any of them shall be recognised unless the Company notifies the Bank of the change in writing.

- b. Notification shall be made, in accordance with the provisions of this law and the regulations and instructions issued thereunder, to the address registered with the Bank pursuant to the provisions of Paragraph (a) of this Article in accordance with the following:

- 1. Delivery by hand to any person working for the Company whether through employees of the Bank or any Company

licensed and registered in the Kingdom for the delivery of judicial notifications. The notification shall be considered duly delivered even if the receipt thereof is refused.

2. By deposit in registered mail. This deposit shall be considered a legal notification after the lapse of 15 days from the date of the deposit. Proof that the notification has been deposited with the post office and directed to the correct address shall be considered as adequate proof of notification.
 3. By any electronic means recognised under the relevant legislation.
- c. In case notification is not possible in accordance with the provisions of Paragraph (b) of this Article, it may be carried out by publishing it once in two local daily newspapers.

Article 31. When the provisions of this law come into force, licensed Companies shall rectify their situation in accordance with its provisions within a period of no more than one year from the date when the law comes into force. The Board may extend this period if it deems it appropriate.

Article 32.a. The Board may form a committee to look into and decide on complaints relating to the services offered by the Company, and submit their recommendations thereon to the Governor.

- b.** The duties and terms of reference of the committee referred to in Paragraph (a) of this Article, as well as all other matters related thereto, shall be defined by virtue of instructions to be issued by the Board for this purpose.

Article 33. The Council of Ministers shall issue the regulations necessary for the implementation of the provisions of this law, including license fees, annual fees, and application fees.

Article 34. The Money Exchange Business Law No. 26/1992 shall be abolished. However, the regulations and instructions issued thereunder shall continue in force until others are put in their place in accordance with the provisions of this law.

Article 35. The Prime Minister and Ministers are entrusted with implementing the provisions of this law.