



Jordan. Laws, statutes, etc.

THE LAW

OF

THE CENTRAL BANK OF JORDAN

"Law No. 23 of 1971"

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THE CENTRAL BANK OF JORDAN LAW
(LAW NO. 23 OF 1971)

PART I GENERAL PROVISIONS

Article 1

This law shall be cited as "The Central Bank of Jordan Law of 1971" and shall come into force as from the date of its publication in the Official Gazette.

Article 2

In this law, unless the context requires otherwise, the following expressions shall have the meanings hereby assigned to them:-

KINGDOM	Means the Hashemite Kingdom of Jordan.
GOVERNMENT	Means the Government of the Hashemite Kingdom of Jordan.
CENTRAL BANK	Means the Central Bank of Jordan established under the Central Bank of Jordan Law of 1959 and the amendments thereto.
BOARD	Means the Board of Directors of the Central Bank of Jordan.
GOVERNOR	Means the Governor of the Central Bank of Jordan.
DEPUTY GOVERNOR	Means the Deputy Governor of the Central Bank of Jordan.
MEMBER	Means any member of the Board other than the Governor and the Deputy Governor.
LICENSED BANK	Means any bank licensed to carry on banking business in the Kingdom under the provisions of the Banking Law.
PUBLIC ENTITY	Means any autonomous public authority in the Kingdom, or any institution designated as a public entity for the purposes of this law by the Council of Ministers, after consultation with the Governor.
SPECIALISED CREDIT INSTITUTION	Means any institution or corporate body established in the Kingdom with the primary objective of extending credit

	for special purposes, and designated by the Council of Ministers as a specialised credit institution for the purposes of this Law, after consultation with the Governor.
GOVERNMENT SECURITIES	Means registered bonds, bearer bonds and treasury bills issued under the Public Debt Law in force in the Kingdom.
DOMESTIC REVENUES	Means taxes, duties, commissions, fines, rents, fees, interest, profits, income from any investment, and any other revenue accruing to the Government Treasury, but excluding external and internal loans and grants, and any form of external financial and economic aid.
FOREIGN EXCHANGE	Means any currency, claim, balance or credit in any currency other than the Jordanian currency.
CONVERTIBLE CURRENCY	Means any currency which is exchangeable in international exchange markets and freely transferable at exchange rates which are consistent with the Articles of Agreement.

Article 2

(a) The Central Bank shall be an autonomous corporate body and shall continue to exist as a public entity and shall carry out all its functions in accordance with the provisions of this Law;

(b) The Central Bank may acquire, hold and dispose of property, conclude contracts, sue and be sued in its own name. It shall have a special seal;

(c) The Central Bank shall be exempted from all Government taxes, fees and duties, including revenue stamp duties.

Article 3

The objectives of the Central Bank shall be to maintain monetary stability in the Kingdom and to ensure the convertibility of the Jordan Dinar, and to promote the sustained growth of the economy of the Kingdom in accordance with the general

economic policy of the Government. The Central Bank shall accomplish these objectives by the following means:-

- (a) The issue and regulation of bank notes and coins in the Kingdom;
- (b) Maintaining and managing the gold and the foreign exchange reserves of the Kingdom;
- (c) Regulating the quantity, quality and cost of credit to meet the requirements of economic growth and monetary stability;
- (d) Adopting appropriate measures to deal with local economic and financial problems;
- (e) Acting as a banker to the Licensed Banks and the Specialised Credit Institutions;
- (f) Supervising Licensed Banks to ensure the soundness of their financial positions and the protection of the rights of depositors and shareholders;
- (g) Acting as banker and fiscal agent to the Government and public entities;
- (h) Advising the Government on the formulation and the manner of implementation of its financial and economic policy;
- (i) Carrying out any other functions and transactions normally performed by central banks, as well as any operation entrusted to it under this law or any other law, or under any international agreement to which the Government is a party.

Article 4

The Central Bank shall have its head office in the Capital of the Kingdom, and it may open and close branches in the Kingdom. The Council of Ministers may in case of emergency move

the head office of the Central Bank to another location temporarily.

Article 6

The Central Bank may appoint or cancel the appointment of its correspondents and agents within the Kingdom or abroad on such terms and conditions as it may deem fit.

PART II

CAPITAL AND RESERVES

Article 7

The capital of the Central Bank shall be \$2,000,000 (two million Jordan Dinars) fully owned by the Government.

Article 8

The capital of the Central Bank may be increased by charging the amount of any such increase against its general reserve, by a decision of the Council of Ministers on the recommendation of the Board.

Article 9

(a) The Central Bank shall maintain a general reserve, into which shall be paid 20% (twenty per centum) of the net profits realised by the Central Bank during each financial year. The balance (namely eighty per centum) of the annual net profits shall be paid to the Government. The Governor may extend advances to the Treasury from the Government's share of the net profits which will become due. Settlement of such advances and payment of the balance of the profits due to the Government shall be effected on the last business day of the year;

(b) All the net profits shall be paid to the Government when the amount of the general reserve exceeds twice the amount of the capital.

(c) For the purpose of this Article, the net profits shall be determined after deducting all administrative expenses and costs, contribution to the Central Bank Staff and Employee Provident Fund of the Central Bank, any other reserves for contingencies and provisions, or to cover any depreciations in the Bank's assets;

(d) If the reserves are insufficient to cover any loss in the profit and loss account for any financial year, an amount sufficient to cover the deficiency shall be paid by the Government within the first three months following the end of the financial year. Such payment shall be a first charge in favour of the Government on the profits which may subsequently be realised.

PART III

ADMINISTRATION

Article 10

(a) The management of the general affairs of the Central Bank shall be entrusted to a Board of Directors consisting of the Governor as chairman, the Deputy Governor as vice-chairman, and five members;

(b) The Governor and the Deputy Governor shall be appointed by a decision of the Council of Ministers, with the approval of His Majesty the King, for a term of five years, and they are eligible for reappointment;

(c) The member shall be appointed by a decision of the Council of Ministers for a term of three years, and may be re-appointed;

(d) When deciding on these appointments, the Council of Ministers shall select persons with experience in financial and economic affairs, and able to contribute to the realisation of the objectives of the Central Bank, provided that banks shall be represented by not more than one member;

- (e) Notice of these appointments shall be published in the official Gazette.

Article 11

- (a) The Board shall hold at the request of the Governor a meeting at least once a month, and whenever the need or the affairs of the Central Bank so require. The Governor shall also convene a meeting at the written request of any two members of the Board, provided that such request shall indicate the subjects to be discussed at the meeting.
- (b) A quorum for any meeting shall consist of at least four members, one of whom shall be the Governor or the Deputy Governor.
- (c) In the absence of either the Governor or the Deputy Governor, the Governor or the Deputy Governor shall select one of the executive managers of the Bank to attend the meeting and vote on matters considered.
- (d) Decisions of the Board shall be taken by an absolute majority of those present. In case of a tie-vote, the chairman shall have a casting vote.
- (e) In exceptional cases when, in the opinion of the Governor a Board decision on a matter within the jurisdiction of the Board is necessary, and it is not possible to convene a meeting of the Board, such a decision may be taken, on behalf of the Board, by a committee of three composed of the Governor or the Deputy Governor, as chairman, and of the Deputy Governor and one member, or two members, as the case may be. Such a decision shall be valid and binding on the Central Bank, and the Governor shall inform the Board thereof at the first subsequent meeting at which a quorum is present.
- (f) If the Governor or the Deputy Governor or any member of

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the Board has any personal interest in any transaction or agreement to which the Central Bank is a party, he must disclose such interest, and must withdraw from the meeting when such transaction or agreement is discussed, and must abstain from voting thereon.

Article 12

The Board shall exercise the following powers:

- (a) To consider and formulate the general policy of the Central Bank;
- (b) To prepare draft regulations, not inconsistent with the provisions of this Law, for the organisation of the Central Bank and administration of its affairs;
- (c) To formulate internal rules for the administration of the affairs of the Bank or to authorise the Governor to issue such rules;
- (d) To determine the organisational framework of staff and employees, their grades, numbers and the terms and conditions of their employment in the Central Bank, in accordance with the provisions of the special regulations enacted in this regard;
- (e) To open branches for the Central Bank and to close such branches;
- (f) To appoint advisers to the Central Bank for fixed periods on such terms and conditions as may be decided by the Board;
- (g) To approve the licensing of new banks, to revoke licences of licensed banks, to license bank mergers and the opening and closing of bank branches in accordance with the provisions of the Banking Law;
- (h) To authorise dealing in foreign exchange and to revoke such authorisation in accordance with the Foreign Exchange Control Law;

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- (i) To approve the credit facilities extended by the Central Bank to the Governor or the Deputy Governor for housing purposes;
- (j) To approve the annual report, balance sheet and profit and loss account of the Central Bank.

Article 13

- (a) The Governor shall be the chief executive responsible for the implementation of the policy of the Central Bank and the management of its affairs;
- (b) The Governor shall exercise all the powers and authorities conferred on the Central Bank other than those reserved exclusively to the Board under this Law or any other Law;
- (c) The Governor shall keep the Board informed of his decisions and measures which he takes in important matters;
- (d) The Governor shall be responsible to the Board for the implementation of Board decisions;
- (e) The Governor shall sign, jointly with the Minister of Finance, bank notes in accordance with the provisions of the regulations enacted in this regard;
- (f) The power to authorise expenditure for the Central Bank shall be vested in the Governor;
- (g) The Governor shall be the chief disbursing officer in the Central Bank in accordance with the rules and regulations in force.

Article 14

The Governor shall represent the Central Bank in all its relations with other parties; and in this capacity he may:

- (a) Represent the Central Bank in its relations with the Government and all other institutions;

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- (b) Represent the Central Bank, either personally or through council, in any legal proceedings to which the Central Bank is a party;

- (c) Sign contracts which involve financial commitments on the Central Bank, in accordance with the regulations as may be decided by the Board;

- (d) Sign individually, or jointly with other officials of the Bank, reports, accounts and financial returns and statements, correspondence, and other documents of the Central Bank;

- (e) Appear before any Parliamentary Committee which may be set up to consider the affairs of the Central Bank or the legislation relating to its functions, and publish any press reports or statements explaining the policy and the measures adopted by the Central Bank.

Article 15

The Governor may delegate to the Deputy Governor or any other official of the Central Bank any of the powers vested in him under this Law, or under the regulations and rules enacted thereunder. Such delegation of power may include the authority to sign documents which involve financial commitments on the Central Bank.

Article 16

The Deputy Governor shall assist the Governor in the execution of his duties and functions, and shall assume the powers and responsibilities of the Governor whenever the Governor is away from the Kingdom, or is on leave of absence, or is incapacitated by illness or cannot be reached for any reason. If, for any reason, the Governor and the Deputy Governor were not available to attend to their duties, the Council of Ministers shall appoint a Board member to assume the functions of the Governor temporarily until such time as the Governor or the Deputy Governor returns to work.

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Article 17

The Governor and the Deputy Governor shall devote their whole time to the service of the Central Bank and to the discharge of their responsibilities in the Central Bank. Neither of them may engage directly in any business activity or accept any paid permanent employment outside the duties of their respective offices, provided that nothing in this Article shall prevent either of them from carrying out any duties or serving on any body, council, board, committee or official delegation, or participating in any international conference, if such service or participation is approved by the Council of Ministers or is undertaken in accordance with the provisions of any law or regulation in force.

Article 18

- (a) The Council of Ministers shall determine the salaries and the regular allowances of the Governor and the Deputy Governor, and the remuneration of the members, provided that during their respective terms of office such salaries, allowances and remunerations shall not be subject to any reduction;
- (b) The Board shall determine the compensation on termination of service of the Governor and the Deputy Governor, and the gratuities, leave, travelling and medical allowances and any other rights granted to the other employees of the Central Bank in accordance with staff regulations.

Article 19

- (a) The Governor, the Deputy Governor or any member may not disclose to any unauthorized person any confidential information which he has acquired in the course of his service with the Central Bank, unless this is done in the performance of his official duties, or unless he is required to do so in court in accordance with the Law;

- (b) No person shall be appointed to the post of Governor, Deputy Governor or member unless he is a Jordanian Citizen, and any person appointed to one of these posts shall take an oath of allegiance and secrecy with regard to the functions and operations of the Central Bank, at the first meeting which he attends after his appointment, and in the terms set out in appendix 1 to this Law.

Article 20

No person shall hold the post of Governor, Deputy Governor or member of the Board while he is acting as a Minister, a member of Parliament, or a civil servant in the Government or in a public institution or municipality. The Council of Ministers shall terminate forthwith the appointment of a Governor, a Deputy Governor or a member if he:

- (a) Becomes a Minister, a member of Parliament, a candidate for membership in Parliament, or a civil servant of the Government, or of a government institution or municipality;
- (b) Submits a written resignation to the Council of Ministers and such resignation is accepted;
- (c) Is found to be unfit to execute his duties by a decision of the High Medical Committee of the Government;
- (d) Becomes bankrupt and applies for a settlement in bankruptcy with his creditors under the Law, or if the court orders an attachment of his salary, in full or in part, to settle the debts due to his creditors;
- (e) If he is convicted of a heinous felony or misdemeanour involving stealing, forgery, bribery, fraud or embezzlement.

Article 21

- (a) The Council of Ministers may terminate the services of

the Governor or the Deputy Governor if he engages directly in business or accepts paid permanent employment contrary to the provisions of Article 17 of this Law, or if he intentionally violates the provisions of the Law and thereby causes serious damage to the interests of the Central Bank;

- (b) The Council of Ministers may terminate the appointment of a member if he absents himself from all meetings of the Board held during two consecutive months, without the consent of the Board.

Article 22

If the Governor, Deputy Governor or any member dies, or if his services terminate or are terminated prior to the expiry of his term of office, another person shall be appointed for the remainder of the original term of office or for a complete term of office under the Law. Notice of such appointment shall be published in the Official Gazette.

Article 23

- (a) The Central Bank may employ such officials and employees, in accordance with the regulations enacted in this regard, as may be considered necessary for the proper conduct of its affairs;
- (b) Every official and employee of the Central Bank must take an oath to protect the secrecy with regard to the functions and operations of the Central Bank, before assuming his duties, and in the terms set out in appendix 2 to this Law. This oath shall be taken in the presence of the Governor or the Deputy Governor.
- (c) The Central Bank may extend credit facilities to its officials and employees for housing purposes.

PART IV ISSUE OF CURRENCY

Article 24

The unit of currency of the Kingdom shall be the Jordan Dinar.

Article 25

The Council of Ministers shall, after consultation with the Central Bank, determine the par value of the Jordan Dinar in terms of gold, in accordance with international agreements to which the Kingdom is a party. The par value, so determined, shall be published in the Official Gazette.

Article 26

- (a) Any monetary transaction in the Kingdom shall be effected in Jordan Dinars, and any bill, contract, promissory note or document whatsoever involving a monetary payment or obligation must be expressed in Jordan Dinars;
- (b) Foreign currencies may be used for the aforesaid purpose only to the extent permitted by the Foreign Exchange Control Law and any other rules and regulations issued thereunder.

Article 27

The Central Bank shall have the sole right to issue currency notes and coins in the Kingdom. Such notes and coins shall be the sole legal tender for the payment of any sum of money in the Kingdom.

Article 28

The Council of Ministers shall determine, on the recommendation of the Board, the denominations, names, inscription, form, material and other characteristics of the notes and coins, in regulations which shall be published in the Official Gazette and in any other media of public information as the Central Bank may decide.

Article 29

- (a) The Central Bank shall prescribe the conditions and terms under which it will conduct the issue of notes and coins including their re-issue and exchange.
- (b) The Central Bank shall not be obliged to pay compensation for the value of any notes or coins which may be lost, stolen, destroyed or mutilated. The refund of the value of any such notes or coins and the conditions for refund of their value, shall be within the absolute discretion of the Central Bank.

Article 30

- (a) The Council of Ministers may announce, upon the recommendation of the Central Bank, that a particular denomination of notes or coins shall cease to be legal tender as of a certain date. A notice to this effect shall be published in the Official Gazette and through other media of public information, giving the public a reasonable period of not less than two weeks and not more than two years, during which time such denomination shall be withdrawn from circulation and the face value of the notes and coins of that denomination paid for other currently valid legal tender in circulation in the Kingdom;
- (b) After the expiry of the period prescribed for the exchange of such notes and coins, the value of any notes and coins which have not been exchanged shall be credited to the account of the Treasury with the Central Bank. If any of these notes or coins are subsequently offered for exchange, the Central Bank shall pay their value and debit the account of the Treasury for the amount.

Article 31

The Central Bank shall maintain assets the value of which at any time shall not be less than the value of the notes and coins in circulation. Such assets shall consist of all or any of the following:

- (a) Gold and gold coins in any form;
- (b) The Kingdom's contribution to any regional or international financial institution paid in gold or convertible foreign currencies;
- (c) The Kingdom's holdings in Special Drawing Rights.
- (d) Convertible foreign currencies in the form of cash demand or time deposits, certificates of deposit, or bank acceptances provided that their maturities do not exceed two years;
- (e) Securities issued or guaranteed by a foreign government or any of its official institutions, or by an international finance institution, made in a convertible currency and which mature in not more than ten years from the date of their acquisition by the Central Bank;
- (f) Any foreign exchange assets including credit balances in favour of the Kingdom under payments and clearing agreements;
- (g) Government securities and publicly issued securities issued by public institutions and guaranteed by the Government provided that their maturities shall not exceed ten years from the date of their acquisition by the Central Bank.

PART V

EXTERNAL RELATIONS

Article 32

The Central Bank may import, export, sell, buy, hold, accept for deposit, and deal in gold or foreign bank notes in any form, and under such terms and at such rates as it may decide.

Article 33

Unless provided to the contrary in another Law, the Central Bank may deal in foreign exchange transactions only with:

- (a) Licensed banks;
- (b) The Government;
- (c) Public institutions and Specialised Credit Institutions;
- (d) Foreign Central and commercial banks, and financial institutions;

- (a) Foreign governments and foreign governmental institutions;
- (c) International and regional financial institutions.

Article 34

The Central Bank shall assume responsibility for the implementation of any foreign exchange control laws in force in the Kingdom.

Article 35

- (a) The Central Bank shall assume responsibility for the implementation of any payments agreement to which the Kingdom is a party;
- (b) The Central Bank may contribute to the capital of any international payment union of which the Kingdom is a member.

Article 36

- (a) The Central Bank shall represent the Kingdom in all its monetary relations with the International Monetary Fund;
- (b) The Central Bank shall be the depository for the Jordan dinar holdings of the international and regional financial institutions, of which the Kingdom is a member.

PART VI

RELATIONS WITH LICENSED BANKS AND SPECIALISED CREDIT INSTITUTIONS

Article 37

- (a) The Central Bank shall open accounts for, and accept deposits from Licensed Banks, and shall, upon their request, collect money and other monetary claims due to them, and settle on their behalf any claims due from them, and, generally, act as their bankers;
- (b) The Central Bank shall provide the Licensed Banks with services for interbank clearings and for exchange of credit information relating to their clients and those

banks shall participate in such arrangements as the Central Bank may prescribe for these purposes after consultation with them;

- (c) The Central Bank may provide such additional services to Licensed Banks as it may deem fit after consultation with these banks;
- (d) The Central Bank in participation with the Licensed Banks and Specialised Credit Institutions, may establish an institute for banking studies, in accordance with a special regulation to be enacted for this purpose;
- (e) The Central Bank, in participation with the Licensed Banks and Specialised Credit Institutions, may establish a deposit insurance institution, in accordance with a special regulation to be enacted for this purpose.

Article 38

The Central Bank may open accounts for, and accept deposits from, Specialised Credit Institutions, and it may collect money and other monetary claims due to and from them, and, generally, act as their banker.

Article 39

- (a) The Central Bank may discount or re-discount for, sell to, or buy from, Licensed Banks the following credit instruments:

1. Bills of exchange and promissory notes drawn in the Kingdom for the purpose of financing genuine commercial transactions, and maturing within not more than 90 (ninety) days from the date of their acquisition by the Central Bank, provided that the Licensed Bank concerned undertakes to repurchase them on the dates fixed by the Central Bank;
2. Bills of exchange, promissory notes and other credit instruments drawn in the Kingdom to finance industrial, tourist, agricultural, constructional or mining operations provided they mature within not more than nine months from the date of their acquisition by the Central Bank.

Bank, and provided that the Licensed Bank concerned undertake to re-purchase them on the dates fixed by the Central Bank. The Central Bank may require as collateral the assignment, mortgage or pledge of the related products or properties, or demand any other security or collateral.

3. Government securities maturing within not more than ten years from the date on which they are presented to the Central Bank;
4. Securities issued by public institutions with Government guarantee, offered for public subscription provided that they mature within not more than ten years from the date on which they are presented to the Central Bank.

(b) The Central Bank may grant advances for fixed periods not exceeding nine months to Licensed Banks; such advances shall be guaranteed by one or more of the following documents:

1. The credit instruments specified in paragraph (a) of this Article;
2. Negotiable bonded warehouse receipts issued by warehouses recognised by the Central Bank or appointed by the Customs Authorities, provided that the goods covered by such certificates are insured and non-perishable;
3. Negotiable shipping documents relating to the imports or exports, provided that goods concerned are insured and non-perishable.

Article 40

The Central Bank may grant advances for fixed periods not exceeding three years to Specialised Credit Institutions, secured by any of the following credit instruments:

- (a) Credit instruments drawn in the Kingdom, particularly promissory notes, bills and instalments for loans, extended by the institution concerned, provided that such credit instruments mature within a period not exceeding five years from the date on which they are presented to the Central Bank;

- (b) Government securities maturing within a period of not

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more than ten years from the date on which they are presented to the Central Bank;

- (c) Securities issued by public institutions with government guarantee, offered for public subscription, and maturing within a period of not more than ten years from the date on which they are presented to the Central Bank.

Article 41

- (a) The Central Bank shall announce from time to time the rates of interest it will charge for re-discounts and for granting advances.

- (b) The Central Bank shall determine the general terms and conditions for extending credit facilities to Licensed Banks and Specialised Credit Institutions;

- (c) The Central Bank may, in cases of emergency, or under extraordinary circumstances which, in the opinion of the Central Bank, constitute a threat to monetary or banking stability in the Kingdom, extend special credit facilities to any Licensed Bank under such terms and conditions established by the Board and approved by the Council of Ministers.

Article 42

- (a) The Central Bank shall require Licensed Banks to deposit a compulsory cash reserve with the Central Bank as a percentage or percentages of their various types of deposits provided such percentage or percentages are not less than 5% (five per centum) and not more than 35% (thirty five per centum). The Central Bank may keep this compulsory cash reserve in a current account, or as a call or time deposit, the balance of which may not be reduced by withdrawals to less than the prescribed percentage without the approval of the Central Bank;

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- (b) Any prescription of, or change in, the percentage of the compulsory cash reserve shall not be effective before at least thirty days after the Central Bank's written notice thereof to the Licensed Banks;

- (c) The Central Bank shall prescribe the method of computing the compulsory cash reserve.

- (d) The Central Bank shall impose on any Licensed Bank whose compulsory cash reserve falls below the prescribed percentage a fine not exceeding $\frac{1}{2000}$ of the amount of the deficiency, in respect of every day during which such deficiency continues. The amount of such fine shall be debited to the account of the Licensed Bank concerned with the Central Bank, and shall be transferred, at the end of each month, to the account of the Treasury. Any Licensed Bank on which such fine is imposed shall submit a statement on a form prescribed for this purpose, on the dates specified by the Central Bank;

- (e) If the violation is repeated, the Central Bank may impose, in addition to the aforesaid fine, any of the penalties prescribed under Article 46 of this Law.

Article 43

The Central Bank may issue orders to the Licensed Banks, which shall be published in the Official Gazette and through other media of public information, prescribing the following:

- (a) The maximum rates of interest which the Licensed Banks may charge in respect of credit facilities which they extend to their customers;
- (b) The maximum and minimum commissions which the Licensed Banks may charge for credit facilities, for the administration of accounts and other services offered to their clients;

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- (c) The maximum rates of interest which the Licensed Banks may pay on deposits with them;

- (d) The minimum cash margin of the value of documentary credits opened for beneficiaries abroad. The Central Bank may require that the whole or part of such margin be deposited with the Central Bank until the date of settlement.

Article 44

- (a) The Central Bank may issue orders or instructions to the Licensed Banks, collectively or individually, with a view to regulating the volume, types, purposes, terms and conditions of loans, advances and other credit facilities.

- (b) The Central Bank may issue orders or instructions to the Licensed Banks, limiting the volume of investments which they may make within or outside the Kingdom;

- (c) The orders and instructions issued under Articles 43 and 44 of this Law shall not be retrospective, and shall apply to all transactions covered by such orders and instructions as from the dates prescribed therein.

Article 45

- (a) Licensed Banks and Specialised Credit Institutions shall furnish the Central Bank, at such times and in such manner as it may prescribe, with any information which it may require;

- (b) The Central Bank may request a Licensed Bank or a Specialised Credit Institution to furnish any additional information or explanation which must be furnished within the prescribed period.

Article 46

The Central Bank may impose any of the following measures against a Licensed bank which violates any of the provisions of

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this Law or the orders or instructions issued thereunder;

- (a) Addressing a warning to the Bank;
- (b) Reducing or suspending credit facilities extended to the Bank;
If a violation is repeated, the Board may impose, on the recommendation of the Governor, any of the following penalties;
- (c) Preventing the Licensed Bank from carrying out certain operations, and imposing such limitations on its credit operations as the Central Bank may deem fit;
- (d) Appointing a temporary controller to supervise the Licensed Bank's activities;
- (e) Revoking its licence.

PART VII

RELATIONS WITH THE GOVERNMENT

Article 57

- (a) The Central Bank shall be the banker and fiscal agent of the Government. All accounts and banking transactions of all the Ministries and Government Departments, whose expenditures and revenues are governed by the General Budget Law, shall be opened with, or transacted through, the Central Bank exclusively.
- (b) The Central Bank may act as the banker and fiscal agent of any public institution, in accordance with such terms and conditions as may be agreed upon between the Central Bank and the public institution concerned.

Article 58

- (a) The Central Bank shall perform on behalf of the Government, or any public institution concerned, the following functions:

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1. Accepting deposits and maintaining accounts;
 2. Issuing and managing public loans which are offered for public subscription;
 3. Paying, remitting and collecting funds in the Kingdom or abroad, and keeping funds in custody and opening letters of credit;
 4. Purchasing, selling, remitting or accepting in custody, cheques, bills of exchange, securities, gold, silver and foreign exchange;
 5. Effecting any other banking service.
- (b) The Central Bank may, after consultation with the Minister of Finance, appoint an agent to carry out the aforesaid functions, if it deems fit.

Article 59

The Central Bank may grant an interest-free short-term advance to the Government with a view to offsetting a temporary deficiency resulting from an excess of Government expenditures over revenues, provided that the amount of such advances shall not exceed at any time 10% (ten per centum) of domestic revenues as estimated in the effective General Budget Law.

Article 50

- (a) The Central Bank may purchase, sell, or keep in custody registered and bearer bonds issued by the Government or by public institutions and guaranteed by the Government, provided that they mature after not more than ten years from the date of their acquisition by the Central Bank;
- (b) The total value of registered and/or bearer bonds referred to in Paragraph (a) of this Article which are owned by the Central Bank shall not exceed 10% (ten per centum) of its liabilities.

Article 51

The Central Bank shall not extend credit facilities to the Government or to public institutions, whether directly or indirectly, save within the limits prescribed under this Law.

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Article 52

- (a) Government Departments shall furnish the Central Bank with all such available information as the Central Bank may deem necessary to obtain;
- (b) The Central Bank shall offer its advice to the Government on any matter within its jurisdiction, which may affect the realization of the objectives of the Central Bank. The Government may ask the advice of the Central Bank regarding any particular proposal, measure, transaction or situation affecting the national economy.

Article 53

The Council of Ministers shall seek the views of the Governor when it discusses matters related to the monetary or fiscal policy and credit conditions in the Kingdom.

Article 54

- (a) When negotiating a foreign loan or credit which is to be granted to the Government or to any public institution, the Government or public institution shall seek the advice of the Governor about the effect of such loan or credit on the monetary stability and external payments situation of the Kingdom.
- (b) In exceptional circumstances of economic importance and related to the general welfare, the Council of Ministers may request the Central Bank to guarantee the transfer in foreign currency of instalments which become due under a foreign loan or credit extended to the Government or to a public institution in the Kingdom. The Central Bank shall determine the terms and conditions for the issue of any such guarantee, provided that such a guarantee shall not in any circumstances go beyond an undertaking by the Central Bank to convert the Jordanian currency which it receives into the required foreign currency.

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Article 55

The Central Bank may purchase, own or sell the shares and bonds issued by any financial institution established in the Kingdom for promoting the development of capital market or for the insurance of deposits; or the shares and bonds of any regional financial institution for development or for investment guarantee. The aggregate value of such investments shall not exceed 50% (fifty per centum) of the Central Bank's capital and general reserves.

PART VIII

GENERAL PROVISIONS

Article 56

Any loss or profit arising from the re-valuation of the assets and liabilities of the Central Bank in gold or foreign currencies as a result of any change in the par value of any foreign currency, shall be excluded from the computation of the annual profits and losses of the Central Bank and shall be carried in a special account. The Central Bank may allocate in subsequent years the funds required for the amortization of such losses carried in this special account, and may use any part of its general reserve, on the recommendation of the Board and with the approval of the Council of Ministers, to cover such losses, carried in the special account or any part thereof.

Article 57

The Central Bank may purchase, own or lease real estate only for its own use and for the purpose of discharging its functions.

Article 58

The Central Bank shall not engage in any business activities except to the extent permitted under Law, and it shall not acquire a direct interest in any agricultural, industrial or similar enterprise unless such interest relates to the

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settlement of debts due to the Central Bank, and provided that any such interest shall be disposed of within a period not exceeding two years from the date of its acquisition by the Central Bank.

Article 59

The fiscal year of the Central Bank shall commence on the first day of January and shall end on the thirty first day of December of every year.

Article 60

The Central Bank shall publish in the Official Gazette a monthly statement showing its assets and liabilities under main headings as at the close of business on the last day of each month, and such statement shall be published during the following month.

Article 61

Within three months after the close of its financial year, the Central Bank shall submit to the Minister of Finance, a brief report on its operations throughout that year, together with a copy of its annual balance sheet and profit and loss account, certified by the external auditors of the Central Bank.

Article 62

- (a) After the submission of the information specified in the preceding Article, the Central Bank shall prepare its general annual report, and shall publish it in various media;
- (b) The Central Bank may publish any information which it considers worthy of public interest.

Article 63

The Council of Ministers shall appoint, on the recommendation of the Minister of Finance, external auditors to audit the accounts of the Central Bank and to certify its annual balance

sheet and profit and loss statement, and shall determine the remunerations to be paid to such auditors.

Article 64

The Central Bank may not be wound-up, or liquidated except in accordance with a Law.

Article 65

The Council of Ministers may issue, on the recommendation of the Board, such regulations as may be required for the enforcement of the provisions of this Law.

Article 66

- (a) This Law shall supersede the Provisional Central Bank Law No. 93 of 1966, provided that the regulations, rules, orders and decisions issued under that Law and under the Previous Central Bank Laws of 1959 and 1966 shall remain valid and binding until they are amended or repealed, and they shall be deemed to have been enacted or issued under this Law unless they are inconsistent with the provisions of this Law.
- (b) All notes and coins issued in accordance with the Jordanian Currency Law of 1949 and under the previous Central Bank Laws of 1959 and 1966 shall remain legal tender until a new decision is passed in accordance with the provisions of Article 30 of this Law.

Article 67

The Prime Minister and the Ministers shall be responsible for the enforcement of this Law.

APPENDIX 1

I swear by the name of Almighty God to be faithful to H. M. the King and to my Country, and to devote all my abilities to the discharge of the duties entrusted to me as Governor / Deputy Governor / Member of the Board of Directors / of the Central Bank of Jordan with the utmost loyalty and honesty, and to uphold the Law and observe the secrecy of all confidential decisions and transactions to which I have access, and which are related to the operations of the Central Bank.

APPENDIX 2

I swear by the name of Almighty God to be faithful to H. M. the King and to my country, to uphold the laws, regulations and rules applicable to the Central Bank, to devote all my abilities to the discharge of the duties entrusted to me with the utmost loyalty, sincerity, honesty, accuracy and faithfulness; to observe the secrecy of confidential decisions and transactions related to the operations of the Central Bank to which I have access, whether through my official duties or through any other means, and to deny access thereto any unauthorized person.