

**Achievement of Market-Friendly Initiatives and Results Program
(AMIR 2.0 Program)**

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Translation of the Credit Bureau Licensing

Final Report

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Abstract

The following includes a translation of Jordan's Credit Bureau Licensing Law.

Executive Summary

This report includes the translation of Jordan's Credit Bureau Licensing Law completed by International Business Legal Associates (IBLAW). The translation enables financial consultants to evaluate the existing regulatory environment regarding the establishment of credit bureaus and credit reporting agencies in Jordan.

Instructions for Licensing of Credit Information Companies

Pursuant to the provisions of Article (3/A) of the Credit Information Temporary Law of No. 82 for the year 2003, the following rules and principles shall be adopted for licensing credit information companies:

- 1- The application for granting the license shall be submitted to the Central Bank of Jordan stating the names of the founders, their addresses, nationalities, and amount of their shares. The said application shall be signed up by each promoter.
- 2- The application shall be accompanied with what proves the company's ability to undertake its activities effectively. This shall include the following:
 - A- Feasibility study of the company intended to be established and the basis that have been adopted in preparing such study. The feasibility study shall incorporate a working plan that highlights the steps that will be taken by the company to achieve the desired goals.
 - B- A brief elaboration on software intended to be used, personnel and management, and offices.
 - C- The mechanism of notifying the parties concerned with the credit report with all their rights, particularly those relating to their right of objection, and of advising them to refer to the Central Bank if their objection is not accepted.
 - D- Forms to be used with the parties concerned with the credit report (if such are not ready when submitting the application, then the Central Bank shall be provided with same later on. on).
 - E- A procedural Guide for operations. Such include the mechanism of obtaining the credit information and the method of circulating same and supplying the relevant parties therewith.
 - F- The arrangements and procedures to be followed to ascertain the accuracy and up-to-dateness of credit information supplied by the Company.
 - G- The measures which shall be followed to protect the safety and security of the information obtained by the company.
- 3- The following documents shall be attached with the license application:
 - A- Certificates of the practical experience of the management and principle shareholders of the company.
 - B- The proposed Articles of Association and Memorandum of Association.

- C- A declaration by the promoter that the capital comes from his private sources and it was gained through a legitimate way.
 - D- An undertaking by the management to function in a professional manner that ensures fairness and non-discrimination in dealing with the parties concerned with the credit report.
- 4- The authorized and paid-up share capital of credit information companies shall be not less than JD 250,000.
 - 5- The license shall be granted to limited liability companies, private shareholding companies and public shareholding companies.
 - 6- A non-refundable fees of JD (1000) shall be charged for reviewing the license application.
 - 7- The Central Bank shall issue the licensing decision within one month of the completion of all the license requirements.
 - 8- The Central Bank may approve the license application or hold the license pending certain conditions and requirements as it deems fit. The Central Bank may also reject the license application, provided that the rejection shall be reasoned.
 - 9- The licensed company shall commence its operations within a period not exceeding one year from the date of license notification. The license shall be *de jure* revoked if the company does not practice its work within the said period.
 - 10- The license shall be granted for one year, and shall be renewable upon the approval of the Central Bank.
 - 11- The license shall be specific to the company in question and thus may not be transferred, assigned, or delegated to third parties without the Central Bank's approval.
 - 12- The company whose license was approved by the Central Bank shall complete the procedures of its registration with the Controller of Companies.
 - 13- Credit information practitioner shall comply with the following:
 - A- He shall not be a shareholder and/or an employee in more than one company and shall not practice the profession outside the Company's scope of business, whether independently or for others.
 - B- He shall enjoy civil capacity and shall not be convicted of felony or a moral crime affecting honor.

14-

- A- The licensed Companies shall be subject to the Central Bank supervision and inspection, to ascertain the degree of their compliance with the laws, regulations and instructions related to their activity, in accordance with such arrangement as the Central Bank may deem fit.
- B- The company shall facilitate the tasks of the Central Bank inspectors and provide them with all the information they may request to perform their functions.
- C- The company shall provide the Central Bank with all the reports and periodic statements which the Central Bank requests.

(Please note: there is no missing Article-wrong numbering in the Arabic version)

16- The Central Bank may revoke the license of a credit information company in any of the following cases:

- A- If the license was granted on the basis of incorrect information provided in the license application or the attached documents.
- B- If the company submits an application to revoke its license. The Central Bank shall take the decision it deems fit within 60 days from the date of the submission of the application.
- C- If the company doesn't comply with the Credit Information Law and the bases and conditions of licensing credit information companies
- D- In case of any substantive change which the Central Bank may consider as adversely affecting the company's activity and the proper conduct of its operations.

17- The Central Bank may issue the orders which it deems necessary to implement the provisions of this law, whether on individual or collective footing.