The Monetary and Credit Council Decision (433/M.C.C)

Date: 30 December 2021

The Monetary and Credit Council, pursuant to the provisions of Law No. 23 dated 17 March 2002, and its amendments, and in accordance with the provisions of the decisions of The Monetary and Credit Council regulating the granting of credit facilities and related supervisory instructions, and the letter from the Banking Supervision Department No. 7132/16 dated 12 December 2021, and No. 7429/16 **issued** on 27 December 2021, and based on the memorandum in its session held on 16 December 2021, **decides the following**:

Article 1: Operating banks are allowed, without being bound by the lending limits set by Circular No. 4774 of 2020 issued pursuant to the Economic Committee's deliberation No. 35 of 2020, to grant credit facilities in the form of (loans/financing) to finance industrial projects according to the attached list, in addition to projects related to renewable energy production.

Article 2: In addition to the controls adopted for granting credit facilities, banks are required to comply with the following controls when granting credit facilities for the projects referred to in Article 1 above:

1. A properly prepared economic feasibility study for the project must be presented according to the optimal standards for feasibility studies, proving the availability of cash flows for the project capable of covering the debt burden, and the loan terms and grace periods for repayment must be determined in a manner that corresponds with the nature of the project, and the term of the facilities must not exceed the capital recovery period.
2. Facilities should be divided into stages that correspond to the stages of implementing the project, and banks are committed to conducting field visits to the funded projects and preparing reports for each stage of implementation to be submitted to the authority responsible for granting before disbursing the subsequent installment. These reports should be included in the credit files for those projects.
3. Financing ratios for projects are determined by linking them to the added value achieved by the project's product, provided that the financing ratio does not exceed 70% of the total project cost as of the date of the study submission, and the ratio may rise to 80% if one of the following conditions is met:
   - Projects that rely on renewable energy sources in their production.
   - Projects that rely on production inputs from locally produced materials.
   - Projects whose feasibility study proves they are capable of exporting more than 30% of their production.

4. Obtaining guarantees considered as risk mitigators according to the Decisions of the relevant Credit and Monetary Council, so that they cover the value of the granted facility by at least 100%, and they can be retained in stages according to the project implementation phases.
5. Facilities are granted for each project according to the provisions of this Decision from one bank only (except for major projects that require financing through an equity "a syndicated loan" from several banks). In case of re-granting any new facilities for the same project, the focus should primarily be on the completion stages and the cash flows achieved through the project before making any credit decision to grant new facilities.
6. The credit decision containing the approval to grant the facilities according to the provisions of this Decision is made by the highest authority with the power to grant credit facilities according to the bank's established procedures.

Article 3: As an exception to the provisions of the instructions that prohibit granting facilities in Syrian pounds to finance imports, it is allowed to allocate a part of the loan/financing amount granted according to the above controls to finance 100% of the value of imports necessary for the projects specified in Article 1 of this Decision, which include (machinery and production supplies, etc.), provided that these imports are used entirely and **exclusively** in the funded project and under the responsibility of the bank.

Article 4: The foreign currency necessary for the financing process specified in /**Article 3**/ above is purchased from the currently operating exchange companies according to the exchange rate stated in the banks and exchange bulletin, plus the commissions for shipping and transfer.

Article 5: The import process required for the project is completed according to the controls specific to the import financing process stipulated in the effective Decisions.

Article 6: The total facilities granted according to the provisions of this Decision must not exceed 50% of the productive credit facilities portfolio at the granting bank as of the date of the grant Decision.

Article 7: This Decision shall be communicated to whom it may concern for implementation.

Chairperson of The Monetary and Credit Council
Dr. Mhd.Issam Hazime

Accredited by the Prime Minister

Priority Industrial Projects for Bank Loans, as attached to Decision No. (433/M.C.C) dated 30 December 2021:	
1. Agricultural Industrial Projects	- Canning factories.
	- Fruit product manufacturing factories.
	- Fruit drying using modern techniques projects.
	- Olive presses.
	- Dairy and cheese factories.
	- Tomato juices production projects.
	- Olive oil refining, purification, and packaging factories.
	- Molasses production projects.
	- Medicinal and aromatic plant drying factories.
	- Animal feed manufacturing factories.
2. Projects Covered by Investment Law No. 18 of 2021:	- Establishing integrated complexes for poultry farming (broilers, turkeys, ostriches, quails, etc.) for egg and meat production.
	- Establishing integrated complexes for cattle breeding for milk production and calf fattening, with the possibility of setting up a milk processing plant.
	- Buffalo breeding.
	- Integrated complexes (farms for breeding Billy goats and rams for fattening and processing its waste.
	- Stables for breeding and ranching purebred Arabian horses.
	- Plants for biofertilizers.
	- A single integrated complex for establishing laboratories and facilities for seed and agricultural mushroom production, processing, and packaging.
	- Establishing modern workshops for sorting, packaging, cooling, and wrapping agricultural products.
	- Floating cage fish farming.

3. Projects Covered by the Loan Interest Rate Support Program:	- Beneficiaries previously affected by the transition to modern irrigation.
	- Establishing and operating factories for modern irrigation supplies.
	- Construction or renovation of dairy farms.
	- Construction or renovation of poultry houses.
	- Rehabilitation and reoperation of damaged fertilizer factories.
	- Rehabilitation of veterinary pharmaceutical factories or establishment of new veterinary medications production facilities not produced locally.
	- Launching projects for producing natural juices/concentrates from locally produced citrus and fruits that do not use imported concentrates in their products.
	- Establishing vegetable seed multiplication stations.
	- Establishing laboratories for mushroom seed multiplication.
	- Construction or renovation of farms for breeding Awassi sheep and Shami goats, as well as fattening lambs based on early weaning trials.
4. Industrial Projects Dependent on Locally Available Raw Materials:	- Agricultural or animal-based. - Subsurface resources, such as cement production, building materials, and related materials, silica, silicon, basalt smelting, etc.
5. Pharmaceutical Industry and Medical Device and Prosthetics Manufacturing.	
6. Alternative Energy Supplies and Energy-Efficient Lighting and Devices Manufacturing.	
7. Leather Tanning and Leather Products Manufacturing.	
8. Textile and Fabric Manufacturing and Related Industries.	

9. Fertilizer Industry.	
10. Machinery, Equipment, and Industrial Production Lines Manufacturing in Various Types.	
11. Agricultural Machinery, Equipment, and Supplies.	
12. Glass Packaging in All Types.	
13. Recycling Industry for Various Waste Materials:	- Paper, batteries, plastics, etc.