**Syrian Arab Republic**
**The Central Bank of Syria**

**Number:** 5102/16

**Date:** 23 September 2020

**Subject:** Circular on Banking Account Opening Procedures for the Implementation of Decree No. 5/ issued by the Council of Ministers and the Applicable Commissions on Related Operations

# Circular

# To all Banks Operating in The Syrian Arab Republic

Referring to the provisions of Decision No. (215/M.C) issued by the Management Committee of the Central Bank of Syria on 2 February 2020[1], containing the instructions issued for Presidency of the Council of Ministers Decree No. (5/P.C.M), dated 20 January 2020. The mentioned Decree pertains to public entities legally authorized to maintain records of property ownership for real estate and vehicles of all types and notary publics both being committed to refraining from notarizing sale contracts or powers of attorney that include completed and inseparable sales unless evidence of payment or part thereof is attached to the bank account of the owner, their legal universal or particular successor, or anyone legally representing them.

Subsequently, following the ongoing follow-up regarding the implementation of this ministerial decree by the operating banks, particularly Circular No. 2760/16 issued on 3 June 2020, which included a request for data regarding the amounts of commissions applied by banks after the implementation of the Decree No. (5/P.C.M) issued by Presidency of the Council of Ministers, that was referred to above. After auditing and comparing the commissions charged by banks according to their respective situations, policies, and procedures, and attempting to address the observations related to the burden and cost of conducting the aforementioned operations, which are endured by the clients of the operating banks, especially noting the existence of disparity and differences in the commissions imposed for these operations across the operating banks without compromising the concept of commission according to the issued circulars for cost recovery[2], and in accordance with the directives of the Presidency of the Council of Ministers regarding the request to direct the operating banks[3] to provide what is necessary to

[1] which was communicated to the operating banks by virtue of letter No. 685/16/ **issued** on 4 February 2020.

[2] especially according to the provisions of Circular No. 9371/100/5 dated 18 August 2009, which states that the commission is the return determined by the bank in exchange for providing banking services that include administrative costs or expenses associated with these services or reimbursement for values paid by the bank to provide the mentioned services.

[3] as detailed in the letter issued by the Presidency of the Council of Ministers No. 18632/A dated 24 December 2019.

open bank accounts for all citizens, and based on the provisions of Article 5 of Decree No. (5/P.C.M) issued by Presidency of the Council of Ministers, that was referred to above, and the conclusions reached by the Management Committee following its session held on 6 September 2020, regarding this matter, **the Central Bank of Syria deems it necessary to re-unify the commissions imposed on the operations outlined below by the operating banks according to the mechanism and procedures regulating them properly as follows:**

**Firstly: Regarding the commissions collected from clients:**

1. **Commissions applied to account opening operations for the purpose of selling properties and vehicles of all types:**
   A commission is to be collected with a minimum of /0/ Syrian pounds up to a maximum of /3,000/ Syrian pounds.
2. **Commissions applied to operations of transferring the amount of real estate sales between the bank accounts of the buyer and seller if the transfer is made between two accounts opened in the same bank:**
   A transfer commission is to be collected with a minimum of /0/ Syrian pounds and a maximum not exceeding /2‰/ two thousandths.
3. **Commissions applied to operations of transferring the amount of real estate sales between the bank accounts of the buyer and seller if the transfer is made from an account opened in the bank to an account opened in another bank:**
   A transfer commission is to be collected with a minimum of /0/ Syrian pounds and a maximum not exceeding /5‰/ five thousandths.

**Secondly: Regarding the status of bank accounts opened for the purposes of Decree No. (5/P.C.M) issued by the Presidency of the Council of Ministers, and in the context of addressing the issues raised by both the banks and the clients concerning these accounts, please adhere to the following:**

1. Ensure that appropriate measures are taken to fulfill requests for opening new accounts or activating old accounts as quickly as possible and within a suitable timeframe, without compromising the directives related to simplifying procedures and adhering to the laws and regulations governing such situations, ensuring the minimization of delays in executing the required operations properly.
2. Special procedures for opening accounts at banks for the purpose of selling properties and vehicles should not be established, especially regarding setting a minimum value for opening the account or imposing a special commission for it in a manner that differs from the minimum standard applied by the bank for opening other accounts. All account opening requests should be treated in the same way regardless of their purpose, without compromising the reasonable efforts made to enable all individuals to open and use bank accounts properly.

3. Inform the client that the account cannot be closed until a certain period has passed, with a minimum limit of three months from its opening (the duration may be longer according to the procedures adopted by the bank, as long as it does not exceed reasonable limits), with the aim of reducing the pressure resulting from client requests to close accounts opened for this purpose.
4. Emphasize the role of bank employees in encouraging clients to keep their accounts open continuously by possibly introducing clients to the various products and services offered by each bank. The purpose of opening an account should not necessarily be limited to executing the notification only for the purposes of the commercial sale process[4].

**In addition, we are hereby indicating the necessity of publishing this circular, which includes the directives of the Central Bank of Syria and the banks' commission lists (as usual regarding commissions in general), in a prominent place for the public and on the banks' websites. This ensures the proper application of its content and provides the opportunity for the client to submit complaints or inquiries to the bank's management in case of non-compliance with the above, according to the established procedures.**

**Please review and take appropriate measures to implement the above requirements according to the regulatory mechanism properly. Note that the Central Bank of Syria will conduct periodic evaluations of the effects of implementing Ministerial Decree No. (5/P.C.M) issued by the Presidency of the Council of Ministers 2020, its executive instructions, and the issued directives, and take appropriate measures based on the results, and will subsequently inform you of any new instructions aimed at establishing the effects of implementing the mentioned decree, in a way that serves the interests of both the banks and the clients equally.**

**Your cooperation is highly appreciated.**

**The First Deputy Governor**
**Overseer of the Banking Supervision Department**
**Dr. Muhammed Ibrahim Hamra**

[4] especially since the requirement includes both the buyer and the seller concerning the requirements of implementing the mentioned ministerial decree.