The Management Committee of the Central Bank of Syria Decision (1257/M.C)

Date: 2 October 2017

The Management Committee of the Central Bank of Syria, pursuant to the provisions of Law No. /23/ of 2002 and its amendments, the letter of the Banking Supervision Department No. 7624/16 dated 8 September 2017, and to the memorandum resulting from the committee's session held on 10 September 2017, has decided the following:

Article 1: The fourteenth paragraph of Article No. /78/ of the bylaws of the Central Bank of Syria, issued by the decision of The Monetary and Credit Council No. (578/M.C.C/S3), dated 27 October 2009, regarding the organizational structure of the Banking Supervision Department, shall be amended to become as follows:

Fourteenth: Banking Supervision Department

1. **Licensing and Registration Department**
    - **a.** Banking Financial Institutions Licensing and Registration Division.
    - **b.** Non-Banking Financial Institutions Licensing and Registration Division.
    - **c.** Accounts Division.
    - **d.** Compliance Monitoring Division.
2. **Office Supervision Department**
    - **a.** Traditional Banks Office Supervision Division.
    - **b.** Islamic Banks Office Supervision Division.
    - **c.** Small and Microfinancing Institutions Office Supervision Division.
    - **d.** Banking Sector Performance Monitoring and Evaluation Division.
3. **Field Supervision Department**
    - **a.** Banking Financial Institutions Field Supervision Division.
    - **b.** Compliance Monitoring Follow-up Division.
    - **c.** Information Audit Division.
4. **Risk Centralization Department**
    - **a.** Credit Reporting Division.
    - **b.** Credit Inquiry Division.

   c. Data Auditing and Major Clients Follow-up Division.
   d. Returned Checks Division.
5. **Follow-up Department**
   a. Traditional Banking Financial Institutions Follow-up Division.
   b. Islamic Banking Financial Institutions Follow-up Division.
   c. Non-Banking Financial Institutions Follow-up Division.
   d. Financial Consumer Protection Division.
6. **Studies and Legislation Department**
   a. Studies Division.
   b. Legislation Division.
   c. Financial Stability Division.
   d. International Studies and Legislation Follow-up Division.
7. **Supervision of Non-Banking Financial Institutions Department**
   a. Non-Banking Financial Institutions Office Supervision Division.
   b. Non-Banking Financial Institutions Field Supervision Division.

Article 2: Article No. /96/ of the bylaws of the Central Bank of Syria, issued by the decision of The Monetary and Credit Council No. (578/M.C.C/S3), dated 27 October 2009, regarding the fourteenth section/ the Banking Supervision Department, shall be amended to become as follows:

This directorate, based on the provisions of Article /3/ of Legislative Decree No. /21/ of 2011 and the provisions of the fourth section of Law No. /23/ of 2002 and its amendments, shall carry out the following tasks:

A. Study the applications for licensing and registration of financial institutions that are under the supervision of The Monetary and Credit Council according to the prevailing laws and regulations.
B. Perform the tasks assigned to it under the fourth section of Law No. /23/ of 2002 and its amendments.
C. Supervise and monitor the banks/ banking financial institutions and non-banking financial institutions that are under the supervision of The Monetary and Credit Council, and that work according to its directives, and verify the violations of these banks/ institutions to the provisions of the laws, decrees, decisions, and regulations governing banking and financial work.

D. Follow up on matters related to risk centralization and periodically collect information about the credit facilities granted to debtors of banks and other financial institutions that are under the supervision of the council.
E. Prepare studies and organize statistics related to the status of banks and banking and non-banking financial institutions that are under the supervision of The Monetary and Credit Council.
F. Conduct any investigation or audit specifically based on the request and directives of the council.

Article 3: This directorate consists of the following departments:

First: Licensing and Registration Department

This department consists of the following divisions:

A. Banking Financial Institutions Licensing and Registration Division:

This division is responsible for the following tasks:

1. Processing licensing applications and registration requests submitted by license applicants.
2. Processing branch opening requests submitted by licensed and operating banks and financial institutions.
3. Processing representation office establishment requests for non-Syrian banks and financial institutions wishing to open representation offices in the Syrian Arab Republic.
4. Processing branch manager appointment requests for banks and financial institutions and monitoring any changes that occur.
5. Processing requests for executive management appointments (general managers/chief executive officers) for banks and financial institutions.
6. Processing appointments of internal banking auditors and compliance managers for banks and financial institutions and monitoring any changes that occur.
7. Processing banking office establishment requests and following up on related procedures.
8. Processing real estate purchase requests submitted by licensed and operating banks/financial institutions.
9. Monitoring the status of employees at operating banks/financial institutions regarding:
   - Foreign employees when granting or renewing their work permits and providing opinions on their expertise.

- Employees in senior management positions.
- Periodic employee data.

10. Maintaining a register of licensed and operating banks and continuously updating it.

11. Maintaining a register of licensed and operating microfinance banks and continuously updating it.

12. Maintaining a register of banking financial institutions and continuously updating it.

13. Following up on all matters related to the payment of expenses and fees resulting from any amendment to the information in the register of banks and financial institutions.

14. Taking necessary actions regarding the cancellation of a bank/financial institution's license and its removal from the register.

15. Preparing any study within the department's scope of work based on the direction of The Monetary and Credit Council and/or the management of the Central Bank of Syria.

16. Preparing a quarterly list and report of banks/financial institutions registered in the banks' register, their branches, and affiliated banking offices, according to their distribution in the governorates and continuously updating it.

B. Non-Banking Financial Institutions Licensing and Registration Division:

This division is responsible for the following tasks:

1. Processing licensing applications and registration requests submitted by license applicants.
2. Maintaining special registers for exchange offices and companies and non-banking financial institutions according to their type and continuously updating them.
3. Processing branch opening requests submitted by exchange companies and other licensed and operating non-banking financial institutions.
4. Processing requests for establishing offices or units affiliated with licensed and operating non-banking financial institutions according to the law of each institution's establishment.
5. Processing appointments of the administrations for exchange offices and companies and non-banking financial institutions.
6. Processing requests for opening administrative offices and warehouses affiliated with exchange companies and non-banking financial institutions.

7. Processing requests submitted by licensed companies to carry out money transfer or remittance operations.
8. Processing special contracts concluded by non-banking financial institutions to carry out remittance activities, where the parties to the contract are the General Postal Corporation and the remittance company concerned.
9. Preparing a quarterly list and report for each of the exchange offices and companies and non-banking financial institutions and their branches, according to their distribution in the governorates and continuously updating it.
10. Taking necessary actions regarding the cancellation of a license for an exchange office or company or any non-banking financial institution and its removal from the respective register.
11. Following up on matters related to the registration of domestic financial remittance companies, their branches, and their lists.
12. Auditing contracts concluded by non-banking financial institutions with other financial institutions related to remittance activities.
13. Preparing any study within the department's scope of work based on the direction of The Monetary and Credit Council and/or the management of the Central Bank of Syria.

C. Accounts Division:

This division is responsible for the following tasks:

1. Preparing expense distribution tables for both the Banking Supervision Department and the Combating Money Laundering and Terrorism Financing Commission and monitoring their collection.
2. Recording expenses incurred by banks, exchange companies, banking and non-banking financial institutions, and fees associated with amendments to the banks' register and monitoring their collection, in addition to recording inquiry expenses related to the Risk Centralization Department.
3. Notifying banks and banking and non-banking financial institutions of sanction decisions and administrative penalties, including fines imposed on each and monitoring the collection of fines.
4. Preparing a quarterly list of penalties imposed on banks and banking and non-banking financial institutions.
5. Organizing statistics related to the revenues and expenses of the Banking Supervision Department.

D. Compliance Monitoring Division:

This division is responsible for the following tasks:

1. Auditing the bylaws, statutes, and articles of association and deeds of association of banks and banking and non-banking financial institutions and any amendments thereto under the supervision of The Monetary and Credit Council.
2. Providing opinions on legal issues and aspects encountered by banks and banking and non-banking financial institutions during their operations, or those revealed through the monitoring of their activities.
3. Monitoring all matters related to the formation of the boards of directors of banks and banking and non-banking financial institutions by ensuring the availability of the required conditions and qualifications for board membership candidates, and all changes that occur in these boards' compositions.
4. Monitoring the compliance of licensed and operating banks and banking and non-banking financial institutions with relevant laws and their own regulations, which fall under the jurisdiction of the Licensing and Registration Department.
5. Preparing legal studies, draft decisions, and contract templates within the scope of the department's work or based on the direction of The Monetary and Credit Council and/or the management of the Central Bank of Syria.

Second: Office Supervision Department

This department consists of the following divisions:

A. **Traditional Banks Office Supervision Division:**

   This division is responsible for the following tasks:

   1. Ensuring the receipt of all data forms related to traditional banks and their correctness in form according to the prevailing regulations and verifying the accuracy of the data contained therein using a sampling method.
   2. Ensuring traditional banks' compliance with the ratios related to prudential controls according to the approved models.
   3. Taking necessary actions to obtain the required approval for publishing the annual financial statements of traditional banks prepared for publication, after verifying their accuracy according to the approved models and supervisory controls and ensuring there are no clear violations of international accounting standards and financial reporting standards, and ensuring the statements are published according to the regulatory decisions.
   4. Studying and analyzing the situations and data of traditional banks and preparing periodic office reports on the status of each bank, including the most important banking and financial indicators, and submitting them properly.

5. Referring discovered violations to the Follow-up Department at the Banking Supervision Department for the processing of these violations according to the provisions of the relevant decisions.
6. Coordinating and cooperating with the Banking Sector Performance Monitoring and Evaluation Division and other departments at the Banking Supervision Department as necessary.

B. Islamic Banks Office Supervision Division:

This division is responsible for the following tasks:

1. Ensuring the receipt of all data forms related to Islamic banks and their correctness in form according to the prevailing regulations and verifying the accuracy of the data contained therein using a sampling method.
2. Ensuring Islamic banks' compliance with the ratios related to prudential controls according to the approved models.
3. Taking necessary actions to obtain the required approval for publishing the annual financial statements of Islamic banks prepared for publication, after verifying their accuracy according to the approved models and supervisory controls, ensuring no clear violations of accounting and auditing standards and controls for Islamic financial institutions, international accounting standards, or financial reporting standards, and ensuring compliance with the provisions of Islamic Sharia law and ensuring the statements are published according to the regulatory decisions.
4. Studying and analyzing the situations and data of Islamic banks and preparing periodic office reports on the status of each bank, including the most important banking and financial indicators, and submitting them properly.
5. Referring discovered violations to the Follow-up Department at the Banking Supervision Department for the processing of these violations according to the provisions of the relevant decisions.
6. Coordinating and cooperating with the Banking Sector Performance Monitoring and Evaluation Division and other departments at the Banking Supervision Department as necessary.

C. Small and Microfinancing Institutions Office Supervision Division:

This division is responsible for the following tasks:

1. Ensuring the receipt of all approved data forms related to small and microfinance institutions in form according to the prevailing regulations and verifying the accuracy of the data contained therein using a sampling method.
2. Ensuring small and microfinance institutions' compliance with the ratios related to prudential controls according to the approved models.

3. Taking necessary actions to obtain the required approval for publishing the annual financial statements of small and microfinance institutions prepared for publication, after verifying their accuracy according to the approved models and supervisory controls, ensuring no clear violations of international accounting standards and financial reporting standards, and ensuring the statements are published according to the regulatory decisions.
4. Studying and analyzing the situations and data and preparing periodic office reports on the status of each small and microfinance institution, including the most important financial indicators, and submitting them properly.
5. Referring discovered violations to the Follow-up Department at the Banking Supervision Department for the processing of these violations according to the provisions of the relevant decisions.
6. Monitoring the status of small and microfinance institutions through vertical and horizontal analysis of the basic financial data, extracting the most important ratios and financial indicators to evaluate the financial situation of this sector, and preparing reports that include the results of the financial analysis with evaluations of strengths and weaknesses and submitting them.
7. Conducting stress tests and comparing the performance of this sector.
8. Conducting audits and studies as requested by The Monetary and Credit Council and/or the management of the Central Bank of Syria.
9. Providing the necessary financial data to other departments within the directorate - when necessary - and to official entities based on the direction of the management.

D. Banking Sector Performance Monitoring and Evaluation Division:

This division is responsible for the following tasks:

1. Monitoring the status of the banking sector through vertical and horizontal analysis of the basic financial data, extracting the most important ratios and financial indicators to evaluate the financial situation of the banking sector, and preparing reports that include the results of the financial analysis with evaluations of strengths and weaknesses and submitting them properly.
2. Conducting stress tests and comparing the performance of this sector.
3. Conducting audits and studies as requested by The Monetary and Credit Council and/or the management of the Central Bank of Syria.
4. Providing the necessary financial data to other departments within the directorate - when necessary - and to official entities based on the direction of the management.
5. Coordinating with:

I. The Field Supervision Department regarding the classification of banks according to the rating matrix adopted by the Banking Supervision Department.

II. Both the Traditional Banks Office Supervision Division and the Islamic Banks Office Supervision Division in the department regarding the tasks performed by this division and providing them with the necessary data and information.

Third: Field Supervision Department

This department consists of the following divisions:

A. Banking Financial Institutions Field Supervision Division:

This division is responsible for the following tasks:

1. Preparing the periodic risk-focused plan for comprehensive and incidental field supervision tasks on traditional and Islamic banks and licensed social financial institutions.

2. Executing comprehensive field supervision tasks according to the approved plan based on the risks (Risk-based inspections) using the CAMELS[1] system, notifying the bank/institution of the task results, and coordinating with the Follow-up Department regarding the handling of responses as necessary.

3. Executing targeted field supervision missions (i.e., missions with a specific objective) on banks/institutions according to the approved plan, including missions related to following up on the results of previous supervisory missions to assess the bank's or institution's compliance with corrective actions and addressing previously discovered and appropriately-reported violations, and notifying the bank or institution of the mission results and coordinating with the Follow-up Department regarding the handling of responses as necessary.

4. Executing emergency field supervision missions on any of the banks/institutions, based on early warning indicators detected by the office supervision process or based on management directives or assigned by The Monetary and Credit Council to conduct a verification or audit process within the jurisdiction of the Banking Supervision Department, notifying the bank or institution of the mission results, and coordinating with the Follow-up Department regarding the handling of responses as necessary.

[1] **CAMELS** is a global rating system used by regulatory authorities based on the evaluation of certain indicators, which collectively provide a clear picture of the bank in terms of its financial position, compliance with laws and instructions, and the robustness of its various banking and administrative operations. These indicators are: Capital adequacy, Asset quality, Management, Earnings, Liquidity, Sensitivity to market risks

B. Compliance Monitoring Follow-up Division:

This division is responsible for the following tasks:

1. Continuous evaluation and monitoring of the compliance monitoring work at banks (taking into account the role of the Combating Money Laundering and Terrorism Financing Commission) in this regard, raising necessary proposals, and appropriate corrective actions.
2. Periodically ensuring that the number of internal banking monitors within the Compliance Monitoring Administration's internal banking monitors unit is proportionate to the size of the bank and the complexity of its operations and presenting proposals in this regard properly.
3. Monitoring the adequacy of the training and qualification process for employees in the internal banking monitors unit within the Compliance Monitoring Administration, ensuring it is based on their actual training needs.
4. Approving the supervisory tasks plan for the internal banking monitors unit within the Compliance Monitoring Administration and coordinating properly with the Compliance Monitoring Administration and the concerned bank regarding it.
5. Assigning the Compliance Monitoring Administration with special, emergency, or targeted tasks based on management directives and according to the approved model and following up on their execution of these tasks properly.
6. Providing necessary guidance to the Compliance Monitoring Administration to perform their periodic or emergency tasks and preparing reports about them according to the approved method and ensuring their adherence to it.
7. Studying reports on the difficulties faced by the Compliance Monitoring Administration in performing their specified tasks and presenting proposals.
8. Reviewing and auditing the reports of supervisory tasks executed by the Compliance Monitoring Administration/internal banking monitors unit (in coordination with the Office Supervision Department regarding reports related to auditing banking situation models and decisions of The Monetary and Credit Council that are monitored office-wise), sharing the observations contained therein after their adoption alongside the final responses of the bank/institution with the management for completing their processing properly, and coordinating with the Follow-up Department regarding the final handling of these observations and reports as necessary.
9. Conducting periodic evaluations of the Compliance Monitoring Director and the monitors in the internal banking monitors unit for their tasks as stipulated in the prevailing laws and regulations, especially the approved basic system for internal banking monitors, presenting proposals to improve their performance, and

proposals for withdrawing their acceptance properly (when necessary) and according to the provisions of the approved acceptance withdrawal system.

10. Studying any issue related to internal banking monitors and the Compliance Monitoring Administration based on an assignment from the management.

C. Information Audit Division:

This division is responsible for the following tasks:

1. Executing information audit tasks in banking financial institutions and reporting the results according to the approved work procedures in the Field Supervision Department.
2. Participating in the technical part related to certain targeted tasks that require reference to the information systems of banking financial institutions.
3. Participating in preparing the supervisory task procedures related to information audit with the Compliance Monitoring Division in banking financial institutions.
4. Coordinating with the Compliance Monitoring Division regarding the study and follow-up of the results of information audit task reports executed by the Compliance Monitoring Administration in banking financial institutions.
5. Providing the Compliance Monitoring Division at banking financial institutions with an assessment of information audit task reports executed by the Compliance Monitoring Administration/internal banking monitors unit at banking financial institutions and any observations regarding the results and quality of these reports.
6. Designing an information audit manual that includes the required skills for an information auditor, audit steps, scope, and a general framework for the procedures followed in auditing, and continuously updating it.
7. Ensuring this division is capable of dealing with all automated banking systems in banking financial institutions operating in the country.

Fourth: Risk Centralization Department:

This department consists of the following divisions:

A. Credit Reporting Division:

This division is responsible for the following tasks:

1. Processing data declared by banking financial institutions/social financial institutions, that are participating in risk centralization, according to the provisions of The Monetary and Credit Council's decision, that regulates the work of risk centralization, and its amendments before importing it into the invested banking risk program.

2. Executing different stages of the banking risk cycle (importing the above-referred data – processing similar records resulting from data import for natural and legal customers – closing the banking risk cycle for the month whose data was imported – exporting periodic reports related to consolidated facilities and all reports available for extraction from the invested program, as well as those required by the administration for specific purposes).
3. Informing banking financial institutions about the consolidated reports related to the total credit facility data for each month and the credit facilities for customers of each entity across the entire banking sector.
4. Processing requests for adding a new entity or a branch for a previous entity to the invested program (coding that entity or branch).
5. Controlling and addressing violations related to non-compliance by relevant entities with the requirements within the scope of the division's work and referring violations to the Follow-up Department for completion of processing according to the relevant decisions.
6. Coordinating with departments of the Banking Supervision Department and other directorates in the Central Bank of Syria regarding reports issued by risk centralization necessary for executing supervisory work.

B. Credit Inquiry Division:

This division is responsible for the following tasks:

1. Processing inquiry requests received from banks/banking financial institutions that are participating in risk centralization.
2. Fulfilling inquiry requests from other departments in the directorate regarding credit inquiries about required customer names and informing them of the results.
3. Conducting credit inquiries about sector clients based on requests from competent authorities and coordinating with the concerned directorates in the bank for completion of processing as necessary.
4. Periodically summarizing the credit inquiry expenses incurred by entities using risk centralization, monitoring compliance with the payment of these expenses, and collecting them.
5. Raising violations related to the division's work to the Follow-up Department for completion of processing according to the issued decisions.

C. Data Auditing and Major Clients Follow-up Division:

This division is responsible for the following tasks:

1. Auditing the credit data declared by banks/banking financial institutions.

2. Monitoring the credit facilities of major clients dealing with banks and banking financial institutions, their development, concentration, and associated credit risks.
3. Submitting periodic reports to the management about these clients, the associated risks, and necessary recommendations.
4. Following up on violations committed by banks and banking financial institutions within the scope of the division's work and coordinating with the department concerned to complete the processing according to the effective decisions.
5. Preparing all studies and statistics to meet the requirements of the department and the management.

D. Returned Checks Division:

This division is responsible for the following tasks:

1. Processing data related to returned checks drawn by clients of banks and other financial institutions, that are participating in risk centralization, for the purpose of including the names of reported clients in the maintained lists (the consolidated list of detailed data related to the bank clients' returned checks – the list of clients whose check dealings are restricted).
2. Auditing settlement documents of returned checks reported by entities participating in risk centralization and assessing the adequacy of these documents, and processing the procedures for their removal from the list of clients whose check dealings are restricted.
3. Updating the "list of clients whose check dealings are restricted" prepared according to the relevant decisions – adding updates to the data related to the reported returned checks and completing the processing of clarifications of settled returned checks.
4. Circulating the "list of clients whose check dealings are restricted" periodically to all entities participating in risk centralization.
5. Including data related to checks that are prohibited from being cashed as reported according to the provisions of the effective executive instructions and circulating the updated list to the participating entities immediately upon each notification.
6. Processing inquiry requests related to returned checks drawn by clients of banks/institutions (natural persons, legal entities, or joint account holders) as reported and informing the inquiring entity of the results of the inquiry process.
7. Controlling violations of the decisions regulating the work of the division and referring them to the Follow-up Department to complete the processing of the violation according to the effective decisions.

8. Preparing all reports, studies, and statistics related to returned checks (lack of balance – insufficient balance – not meeting legal conditions) and checks that are prohibited from being cashed.

Fifth: Follow-up Department:

This department consists of the following divisions:

A. Traditional Banking Financial Institutions Follow-up Division:

This division is responsible for the following tasks:

1. Reviewing the results of supervisory task reports of all types (comprehensive, targeted, and emergency) prepared by the Banking Financial Institutions Supervision Division at the Field Supervision Department.
2. Studying the responses of financial institutions to the results of the supervisory tasks referred to in item (1) above and evaluating them in accordance with the effective decisions, laws, and regulations, and, when necessary, coordinating with the Field Supervision Department in this regard and with other departments of the Banking Supervision Department and some directorates in the Central Bank of Syria and the Combating Money Laundering and Terrorism Financing Commission.
3. Submitting the final results of the study and evaluation of all violations and transgressions contained in the above-mentioned supervisory task reports and the institutions' responses to them to The Monetary and Credit Council or the senior management of the Central Bank of Syria alongside the appropriate proposals regarding them – which include the procedures that the institution must take to avoid each violation within a specified timeline, in addition to projects for imposing sanctions or penalties against the institutions, if necessary, according to the effective decisions.
4. Monitoring and coordinating with traditional banking financial institutions to address all violations and transgressions within a specified timeframe and in accordance with the directives issued by the senior management of the Central Bank of Syria or The Monetary and Credit Council in this regard, in addition to following up on the management's directives regarding the proposed penalty projects to be imposed on these institutions.
5. Reviewing the results of supervisory tasks carried out by internal banking auditors at the Compliance Monitoring Division of traditional banking financial institutions and approved by the Field Supervision Department and completing the processing according to the sequence stated in items 2, 3, and 4 mentioned above.

6. Reviewing the reports prepared by the Office Supervision Department, Risk Centralization Department, Licensing and Registration Department, or other departments or directorates in the Central Bank of Syria or the Combating Money Laundering and Terrorism Financing Commission regarding the transgressions and violations committed by traditional banking financial institutions.
7. Studying institutions' responses to these transgressions and violations and evaluating them in accordance with the effective decisions, laws, and regulations, and in light of the regular and continuous monitoring of the operations and activities of these banks and the results of previous supervisory tasks, to which they have been subjected.
8. Following up on the processing of the violations mentioned in paragraph (6) according to the sequence stated in items 2, 3, and 4 mentioned above.
9. Preparing periodic reports to be properly presented to The Monetary and Credit Council regarding the extent of traditional banking financial institutions' compliance with the directives of The Monetary and Credit Council/ Banking Supervision Department to address any discovered transgressions and violations referred to in the items above and providing appropriate recommendations and proposals in this regard.
10. Preparing reports for the management about the quality of the supervisory process and the adequacy of its outputs.

B. Islamic Banking Financial Institutions Follow-up Division:

This division is responsible for the following tasks:

1. Reviewing the results of supervisory task reports of all types (comprehensive, targeted, and emergency) prepared by the Banking Financial Institutions Supervision Division at the Field Supervision Department.
2. Studying the responses of Islamic banking financial institutions to the results of the supervisory tasks referred to in item (1) above and evaluating them in accordance with the effective decisions, laws, and regulations, coordinating with the Field Supervision Department in this regard and with other departments of the Banking Supervision Department and some directorates in the Central Bank of Syria and the Combating Money Laundering and Terrorism Financing Commission.
3. Submitting the final results of the study and evaluation of all violations and transgressions contained in the supervisory task reports and the responses of Islamic banking financial institutions to them to The Monetary and Credit Council or the senior management of the Central Bank of Syria alongside the appropriate

proposals regarding them – which include the procedures that the institution must take to avoid each violation within a specified timeline, in addition to projects for imposing sanctions or penalties against the institutions, if necessary, according to the effective decisions.

4. Monitoring and coordinating with Islamic banking financial institutions to address all violations and transgressions within a specified timeframe and in accordance with the directives issued by the senior management of the Central Bank of Syria or The Monetary and Credit Council in this regard, in addition to following up on the management's directives regarding the proposed penalty projects to be imposed on these banks.
5. Reviewing the results of supervisory tasks carried out by internal banking auditors at the Islamic banking financial institutions and approved by the Field Supervision Department and completing the processing according to the sequence stated in items 2, 3, and 4 mentioned above.
6. Reviewing the reports prepared by the Office Supervision Department, Risk Centralization Department, Licensing and Registration Department, or other departments or directorates in the Central Bank of Syria or the Combating Money Laundering and Terrorism Financing Commission regarding the transgressions and violations committed by Islamic banking financial institutions.
7. Studying the institutions' responses to these transgressions and violations and evaluating them in accordance with the effective decisions, laws, and regulations, and in light of the regular and continuous monitoring of the operations and activities of these banks and the results of previous supervisory tasks, to which they have been subjected.
8. Following up on the processing of the violations mentioned in item (6) according to items 2, 3, and 4 mentioned above.
9. Preparing periodic reports to be properly presented to The Monetary and Credit Council regarding the extent of Islamic banking financial institutions' compliance with the directives of The Monetary and Credit Council/ Banking Supervision Department to address the discovered transgressions and violations referred to in the items above and providing appropriate recommendations and proposals in this regard.
10. Preparing reports for the management about the quality of the supervisory process and the adequacy of its outputs.

C. Non-Banking Financial Institutions Follow-up Division:

This division is responsible for the following tasks:

1. Reviewing the results of supervisory task reports of all types prepared by the Field Supervision Division at the Non-Banking Financial Institutions Supervision Department.
2. Studying the responses of non-banking financial institutions to the results of the supervisory tasks referred to in item (1) above and evaluating them in accordance with the effective laws and regulations, and, when necessary, coordinating with the Non-Banking Financial Institutions Supervision Department in this regard and with other departments of the Banking Supervision Department, some directorates in the Central Bank of Syria, and the Combating Money Laundering and Terrorism Financing Commission.
3. Submitting the final results of the study and evaluation of all violations and transgressions contained in the supervisory task reports and the responses of the institutions to them to The Monetary and Credit Council or the senior management of the Central Bank of Syria and the appropriate proposals regarding them, which include the procedures that the institution must take to address each proven violation within a specified timeline, in addition to proposed sanctions or penalties against the financial institution, if necessary, according to the effective decisions.
4. Monitoring and coordinating with non-banking financial institutions to address all violations and transgressions within a specified timeframe and in accordance with the directives issued by the senior management of the Central Bank of Syria or The Monetary and Credit Council in this regard, in addition to following up on the management's directives regarding the proposed penalty projects to be imposed on these institutions.
5. Reviewing the reports prepared by the Office Supervision Division at the Non-Banking Financial Institutions Supervision Department or the Combating Money Laundering and Terrorism Financing Commission regarding the transgressions and violations committed by non-banking financial institutions.
6. Studying the responses of non-banking financial institutions to these transgressions and violations and evaluating them in accordance with the effective laws and regulations, and in light of the regular and continuous monitoring of the operations and activities of these institutions and the results of previous supervisory tasks, to which they have been subjected.
7. Following up on the processing of the violations mentioned in item (5) according to the sequence stated in items 2, 3, and 4 mentioned above.
8. Preparing periodic reports to be properly presented to The Monetary and Credit Council regarding the extent of non-banking financial institutions' compliance

with the directives of The Monetary and Credit Council/ Banking Supervision Department to address the discovered transgressions and violations referred to in the items above and providing appropriate recommendations and proposals in this regard.

9. Preparing reports for the management about the quality of the supervisory process and the adequacy of its outputs.

D. **Financial Consumer Protection Division:**

This division undertakes the following tasks:

1. Study complaints submitted or transferred from the senior management against any of the banking and non-banking financial institutions under the supervision and control of The Monetary and Credit Council.
2. Evaluate the response of the complained-against party in accordance with the effective decisions, laws, and regulations.
3. Submit the results of the study and evaluation of the complaints and the response of the complained-against party, along with appropriate proposals regarding them, to the senior management of the Central Bank of Syria or The Monetary and Credit Council. This includes the procedures that the banking and non-banking financial institutions must undertake to avoid violations within a specified timeline, in addition to projects for imposing sanctions or penalties against the bank or institution, if necessary, according to the effective procedures.
4. Follow up and coordinate with the complained-against banking or non-banking financial institutions to address all violations within a specified timeline and in accordance with the directives issued by the senior management of the Central Bank of Syria or The Monetary and Credit Council in this regard, in addition to following up on the management's directives regarding the proposed penalty projects to be imposed on these banks or institutions.
5. Communicate with the complainant about the results reached after the study conducted on the complaint submitted by them, in accordance with the items mentioned above.
6. submit studies or proposals to The Monetary and Credit Council about the measures and procedures that must be taken to limit any incorrect practices carried out by the banks or banking and non-banking financial institutions if it is found that they harm the financial consumer's interest.

Sixth: Studies and Legislation Department

This department consists of the following divisions:

A. Studies Division:

This division undertakes the following tasks:

1. Process requests from banking financial institutions regarding the launch of banking products in terms of studying the extent to which the new product's instructions comply with the decisions of The Monetary and Credit Council and all relevant effective laws and regulations.
2. Prepare the annual report for the Banking Supervision Department, which primarily includes a detailed presentation of the tasks, objectives, achievements of the Directorate of the Government Commission, and indicators of the Syrian banking sector during the year.
3. Follow up on the relationship of The Monetary and Credit Council with international institutions and local, Arab, and international supervisory authorities regarding banking supervision.

B. Legislation Division:

This division undertakes the following tasks:

1. Prepare studies on legislation and decisions related to the banking and financial sector that fall within the council's jurisdiction and propose their amendment or the issuance of new legislation and decisions based on the following criteria:
    - I. The extent to which these legislations and regulations are in harmony with the banking environment, meet the requirements of financial and banking work, their impact on banking and supervisory work, and the proposed recommendations and solutions (issuing new legislation, amending existing legislation).
    - II. The difficulties faced by banking and non-banking financial institutions when applying these legislations and regulations, their related weaknesses, and their importance.
    - III. Develop various aspects of the supervisory work at the Banking Supervision Department based on the developments in banking and financial supervision.
2. Introduce the new decisions issued related to the work of the Banking Supervision Department, their tasks, contents, and the requirements for their implementation by the concerned parties.
3. Address inquiries from banking and non-banking financial institutions about the items and mechanism of implementing some decisions of The Monetary and Credit Council and the legislations regulating financial and banking work.

C. Financial Stability Division:

This division undertakes the following tasks:

1. Follow up on the coordination process with all other supervisory and regulatory authorities related to the financial sector, such as the Securities and Financial Markets Authority, the Insurance Supervision Authority, the Ministry of Finance, the Damascus Securities Exchange, etc., in everything related to financial stability topics.
2. Prepare all studies and reports related to the role of macro-prudential safety policies, their implementation tools, and follow up on their indicators within the framework of achieving financial stability.

D. International Studies and Legislation Follow-up Division:

This division undertakes the following tasks:

1. Prepare studies and propose instruction projects based on the developments in the recommendations of the Basel Committee on Banking Supervision and the international standards related to banking work.
2. Constantly monitor the websites of central banks, financial authorities, and international financial organizations (online), especially those of neighboring countries, to learn about the systems and legislations related to banking and financial supervision in them and to present proposals regarding them.

Seventh: Supervision of Non-Banking Financial Institutions Department

This department consists of the following divisions:

A. Non-Banking Financial Institutions Office Supervision Division:

This division is responsible for the following tasks:

1. Audit and analyze the periodic financial statements of non-banking financial institutions required by the effective decisions.
2. Analyze and audit the data of remittances submitted by domestic money transfer companies contracted with exchange companies under a contract for distributing remittances or with global transfer networks as required by the effective decisions.
3. Report and follow up on the violations discovered from the office audit of the data referred to in the previous two items and study and monitor the financial status of non-banking financial institutions.
4. Prepare periodic and emergency reports on the compliance of non-banking financial institutions with the effective regulations and the financial status of each financial institution separately, identifying weaknesses and any violations and raising them properly.

5. Evaluate the reports of external auditors and the periodic financial statements prepared for publication for non-banking financial institutions and propose approvals for adoption and/or publication of these statements.
6. Monitor the development of the non-banking financial institutions sector as a whole, identify weaknesses and deficiencies, and coordinate with the Non-Banking Financial Institutions Field Supervision Division to prepare a consolidated periodic report and extract benchmark ratios.
7. Prepare statistical data for non-banking financial institutions and domestic remittance companies, contracted with exchange companies under a contract for distributing remittances or with global transfer networks, to conduct the required studies according to the effective regulations.

B. Non-Banking Financial Institutions Field Supervision Division:

This division is responsible for the following tasks:

1. Prepare a periodic plan for field supervision tasks to be executed for non-banking financial institutions and submit it for proper approval.
2. Follow up on the tasks executed by inspectors assigned to field supervision tasks at the headquarters and branches of non-banking financial institutions in different governorates (branch employees) and provide support and information.
3. Submit reports on the determinants of supervisory tasks, if any, identify the justifications for the shortcomings and the proposed measures to address them, and submit reports to the bank's management on the shortcomings of one of the assigned inspectors (branch employees or department employees) or the determinants of supervisory tasks, if any, and identify the justifications for the shortcomings and the proposed measures to address them.
4. Carry out comprehensive or targeted field supervision missions on non-banking financial institutions according to the approved plan, including special missions to follow up on the results of previous supervisory ones to obtain a first-hand impression of the extent of the institutions' compliance with corrective procedures and address the previously observed and properly reported excesses, violations, or feedback.
5. Carry out emergency field supervision missions on any of the non-banking financial institutions to conduct a verification or special audit within the department's jurisdiction.
6. Carry out supervisory missions to the headquarters and branches of non-banking financial institutions required to be opened, in coordination with the Licensing and Registration Department, to verify that they meet the minimum required conditions before granting the necessary approvals.

7. Verify that the administrative offices of non-banking financial institutions are not used to carry out any unlicensed activities.
8. Carry out supervisory tasks on domestic remittance companies, contracted with exchange companies under a contract for distributing remittances or with global transfer networks, to ensure their compliance with all the terms included in the contracts approved by the central bank and the decisions related to their work.
9. Carry out supervisory missions to any of the domestic remittance companies in coordination with the Combating Money Laundering and Terrorism Financing Commission or the General Postal Corporation as necessary and according to management directives.
10. Report and follow up on addressing the violations discovered through the field missions of non-banking financial institutions and address them properly in coordination with the Non-Banking Financial Institutions Office Supervision Division.

Article 3: The work by the decisions of the Management Committee of the Central Bank of Syria number (1505/ M.C) dated 9 November 2014, and number (1637/ M.C) dated 11 December 2014, is hereby terminated.

Article 4: This decision shall be published in the Official Gazette.

This decision shall be communicated to whom it may concern for implementation.

Chairperson of the Management Committee
The Governor of the Central Bank of Syria
Dr. Duraid Durgham