Syrian Arab Republic
Presidency of the Council of Ministers

Law (52/P.C.M)

Presidency of the Council of Ministers

The Council of Ministers

Based on the provisions of Law No. 23, dated 2002, amended by Legislative Decree No. /21/ of 2011, especially paragraph (4) of Article (13),

the provisions of Legislative Decree No. /20/ dated 16 May 2017,

Decree No. /203/ of 2016 and its amendments,

the letter No. 954/2, issued by the Governor of the Central Bank of Syria dated 23 July 2019, attached with the national plan for the reform and development of the electronic payment infrastructure in Syria, and the letter No. 105/issued on 1 August 2019 attached with the proposed project to amend decision No. (7947/P.C.M) issued by the Prime Ministry on 7 June 2012,

and based on what the council of ministers decided in its session held on 28 July 2019,

the following is decided:

Article (1)- The Central Bank of Syria may grant licenses for the establishment of Syrian companies to work in the field of electronic payment in cooperation with operating banks and social banking financial institutions, according to the provisions and conditions contained in this decision.

Article (2)- Conditions and terms to obtain a preliminary approval for establishment and the required documents:

A. **Conditions to obtain a preliminary approval for establishment:**
    1. The founder must be a holder of Syrian Arab nationality.
    2. The founder must not have been convicted of a felony or a disgraceful misdemeanor.
B. **Documents required for submitting an establishment application:**
    1. An application indicating the names of the founders and the percentage of each one's contribution.

2. A copy of the identification card of each founder, or a commercial register for any legal entities contributing to the establishment, the basic system or the articles of association or the deed of association, the names of the board members of the legal entity, and a copy of the identification card of each of them.
3. A copy of the draft statute of the company, which includes the following:
    - **Type of company**: limited liability or closed joint-stock.
    - **Duration of the company**: not less than 15 calendar years.
    - Purpose of the company: restricted to the field of electronic payment services according to the decisions of The Monetary and Credit Council and the Central Bank of Syria.
    - **Capital of the company**: not less than the total investment and operational costs in the establishment and activity commencement phase according to the economic feasibility study for a period longer than the duration of a company, provided that the capital is not less than two hundred and fifty million Syrian pounds in any case.
    - **Increase of the company's capital**: a company is committed to increasing its capital if it requests to expand its activity according to the percentage of increase compared to the total investment and operational costs in the economic feasibility study presented in the establishment and activity commencement phase or according to the new economic feasibility study presented for this purpose, after obtaining the approval of the Central Bank of Syria.
    - **Transfer of ownership of shares**: a founder may not transfer the ownership of their share in a company's capital to others before the issuance of three profitable balance sheets. In addition, a founder can only transfer shares or stakes in a company's capital to Syrian persons approved by the Central Bank of Syria.
    - **Modification of the company's purpose**: it is permissible to wholly or partially modify the purpose of a company based on a request by the Central Bank of Syria or by the company itself, and after obtaining the approval of the Central Bank of Syria, provided that the purpose is still in the field of electronic payment in all cases.
4. An economic feasibility study for the project, prepared by a specialized entity, accompanied by explanatory information about the electronic payment system and its tools and channels.

C. The management committee of the Central Bank of Syria shall issue a decision, based on the proposal of the concerned directorates, for the preliminary approval or rejection of the license within sixty days of the date of submitting the establishment application, technically, financially, and legally complete according to the relevant effective decisions. The application shall be rejected if the documents or the information are insufficient.

D. In case of a deficiency in the documents, the management may demand finalizing them within a period it specifies for the applicant.

Article (3)- The Central Bank of Syria shall refer the articles of association to the competent ministry for ratification, and the founders must contact the ministry to complete the establishment procedures in accordance with the provisions of the prevailing Companies Law.

Article (4)- Terms, conditions and required documents for licensing, registration, and commencement permission:

A. After completing the establishment procedures at the competent ministry, a company shall work on accomplishing the following:
   I. Provide a suitable headquarters for the company at the address specified in the company's articles of association or its commercial register, with standard specifications that suit its activity.
   II. Supply, install, and operate the necessary infrastructure and technical information systems for practicing the activity according to the relevant effective decisions.
   III. Provide sufficient and qualified human resources for the company's administrative, financial, legal, investment, technical, and technological operations.
   IV. Prepare a manual and a set of policies for operational processes and detailed work mechanisms for all of the activities of the given company, which should, at least, include:
      - Processes for providing the company's services and their required licensing mechanisms.
      - The company's administrative structure and internal instructions, that, minimally and clearly, includes (Risk Management Unit - Continuity and Emergency Response Plans Unit - Internal Audit Unit - Technical and Technological Management Unit - Customer Service Management Unit).
      - A record of the data of the general manager and the heads of units with the following documents and information (copies of identification cards, non-working attestation, Clear criminal record attestation, resume, academic qualifications and job titles in the company).
      - Risk management system, privacy policies, information security, continuity and emergency plans, and a policy for good governance of the

activity and executive procedures, which must, at least, include procedures for securing and protecting electronic operations and storing the data associated with the electronic payment system and customers against disclosure, misuse, damage, destruction, loss, and theft, especially in case of service interruption at any stage of the electronic operation, and data protection procedures according to national laws and standards.

V. Appoint a general manager for the company who has the necessary qualifications and experience to manage the company's activity, and the company shall provide an experience statement for the general manager, meeting the conditions below:
   - The statement must be written in Arabic or translated into Arabic after being duly certified.
   - The date of the experience statement must be in the same year it is submitted.
   - The experience duration must not be less than /10/ years, and more than one experience statement may be accepted to meet the duration requirement.
   - Attachments must be provided to prove the accuracy of the information in the experience statement.
   - The entity granting the experience certificate must be a Syrian or a foreign company/institution, that is practicing a business related to electronic transactions or electronic payments, providing attachments to prove that.
   - The entity granting the experience must still be practicing its activity at the date of granting the experience statement.
   - The general manager must at least hold a university degree in economics, management, or informatics.
   - The areas of expertise must be technical or technological related to services or electronic transactions and payments.

VI. Conclude an agreement with at least one bank or one social banking financial institution, taking into account the roles, responsibilities, terms and conditions of the services subject of the agreement according to the relevant effective decisions.

B. The company shall address the Central Bank of Syria with a request for licensing, a permission to commence activity and a registration in the electronic payment companies register at the Central Bank of Syria, accompanied by the supporting documents indicated in paragraph /A/ of this article, in addition to the following:

   I. A copy of the contracts concluded between the suppliers.

   II. A statement of the procedures implemented by the company to execute the works of paragraph /A/ of this article.

III. The proposed plan for auditing and testing the results of the works indicated in item (2) of paragraph /A/ of this article, and a plan for a pilot to be implemented for at least one month.

C. The decision of the management committee of the Central Bank of Syria, based on the proposal of the concerned directorates, shall be issued within sixty days of the date of submitting the request technically, financially, and legally complete with the required documents, approving or rejecting the commencement of the testing phase and the pilot according to the relevant effective decisions.
D. According to paragraph /C/ of this article, the decision of the management committee of the Central Bank of Syria shall include the formation of a committee from the concerned directorates to supervise the testing phase and the pilot, provided that the number of committee members is no less than three persons, who possess both experience and competence.
E. The supervisory committee submits a detailed report to the management committee of the Central Bank of Syria, citing the results of auditing all project works according to the relevant effective decisions, the results of the testing and the pilot, and recommendations regarding the possibility of approving the registration of the given company in the electronic payment companies register at the Central Bank of Syria and granting it permission to commence activity.
F. The decision to license the company, approve its registration and grant it permission to commence activity is issued by the management committee of the Central Bank of Syria based on the report and recommendations of the committee mentioned in paragraph /E/ of this article, and the date of notification of this decision is considered as the permission for the company to commence its activity.

Article (5)- Provisions and conditions related to the company's activity:

A. A licensed company may work with one or more banks and social banking financial institutions after obtaining the approval of the Central Bank of Syria according to the relevant effective decisions.
B. A company may conclude contracts with entities that issue invoices or financial claims after obtaining the approval of the bank or social banking financial institution, according to the relevant regulations, and in a manner that does not conflict with the tasks of the Syrian Company for Electronic Payments.
C. All operating systems and service delivery systems applied in a licensed company are subject to the approval of the bank or social banking financial institution it deals with and the approval of the Central Bank of Syria.
D. In practicing its activity, a licensed company is subject to the control and supervision of The Monetary and Credit Council according to the relevant effective decisions.

E. A company may not own real estate except for its necessary needs to conduct its business.
F. A company's licensing decision is automatically canceled if the company does not commence its activity within six months of the date the licensing decision being notified.
G. A company's license is canceled in any of the following cases:
    I. Failure to conclude an agreement with any of the operating banks or social banking financial institutions for a maximum period of six months from the date of the end of the company's last agreement.
    II. The company's cessation of activity for a maximum continuous period of one month.
    III. The company's violation of laws in the course of its activity.
H. When practicing electronic payment activity in cooperation with operating banks or the social banking financial institution, a licensed company may not have a role in cash-out or cash-in operations.
I. A licensed company must implement the standards of information security and encryption, in addition to national electronic signature certificates in electronic payment services.
J. A licensed company is subject to the relevant laws and decisions, especially the Banking Secrecy Law, the Anti-Money Laundering and Terrorism Financing Act, the Electronic Transactions Law, the Electronic Signature and Network Services Law, the Cybercrime Law, and Decision No. 115 issued by The Monetary and Credit Council in 2017 concerning the commissions of the Central Bank of Syria.
K. A company that uses a system being invested for the first time, whether developed locally or internationally, must provide local or international standard testing certificates for the system that comply with ISO/CMMI standards to prove its reliability and investment efficiency within the banking sector.

Article (6)- Electronic payment companies that have obtained a final license before the issuance of this decision are granted a non-extendable six-month period, starting from the date of the decision's effectiveness to adjust their status according to its provisions.

Article (7)- Electronic payment companies that have obtained preliminary approval for licensing prior to the issuance of this decision are granted a non-extendable eight-month period, starting from the date of the decision's effectiveness to adjust their status according to its provisions.

Article (8)- The procedures, penalties, and administrative fines prescribed according to Legislative Decree No. 21 of 2011 and its related instructions are imposed, taking into account the gradation of these penalties according to the severity of the violation and the frequency of its occurrence.

Article (9)- decision No. (7947/P.C.M) issued by the Prime Ministry on 7 June 2012 is hereby canceled.

Article (10)- This decision shall be published in the official gazette.

Damascus 2 August 2019

Prime Minister
Eng. Imad Khamees