Syrian Arab Republic

Decree No. (521/ Ministerial Decree)

The Minister of Finance and the Governor of the Central Bank of Syria,

Based on the provisions of Legislative Decree No. /60/ dated 1 October 2007,

and based on the provisions of the executive instructions for the Legislative Decree on government securities issued by the Prime Minister No. /1329/ dated 30 March 2008,

and upon the approval of the Government Securities Management Committee at its meeting held on 7 June 2009,

decide the following:

The System of Charges and Commissions due to the Central Bank in Exchange for the Issuance and Trading of Government Securities

First: General Definitions:

Article (1): The following terms, wherever mentioned, indicate the meanings explained for each of them:

The Committee: The Government Securities Management Committee.

The Ministry: The Ministry of Finance.

The Bank: The Central Bank of Syria.

The Register: The register of government securities organized under the provisions of Article (6) of Legislative Decree No. (60) dated 1 October 2007.

Government Securities: Treasury bills and bonds and Islamic financial instruments issued by the Ministry under the provisions of Legislative Decree No. 60 of 2007, whose par values are registered to the owner whose name appears in the register.

Treasury Bills: Short-term government debt securities with maturity dates not exceeding one year.

Treasury Bonds: Medium and long-term government debt securities with maturity periods exceeding /1/ year, but not exceeding /30/ years.

Central Depository System: The register in which the ownership of securities that do not take a physical form is recorded, and which verifies the ownership of securities by the concerned participant in the securities settlement system according to the legislative decree. The Central Depository System is operated by the Central Bank.

Internal Transfer: The transfer of securities between two accounts of the same participant.

Participant: An entity that is a member of the Syrian Government Securities Settlement System and has an account (or several accounts) for securities in the Central Depository System, and these entities are considered custodian banks.

Settlement System: The Syrian Government Securities Settlement System, which is managed by the Central Bank.

Transaction: An agreement that has been completed, for instance; purchase, sale, internal transfer, etc.

Operation: A transaction that can be settled due to the matching of notifications in the settlement system.

System Manager: The Central Bank of Syria.

Second: The Charges and Commissions of the Central Bank

Article (1): The bank collects charges and commissions from the entities participating in the government securities auctions for the services provided by the bank, bearing in mind that the bank is the ministry's agent in managing auctions. The bank also provides settlement services and manages the register for the central deposit and custody of government securities issued under the provisions of Legislative Decree No. (60) issued in 2007.

Article (2): Charges and commissions from the participating entities:

The bank collects the following charges and commissions from the entities participating in the auctions:

A- Annual subscription charge: The bank collects an annual subscription charge of 200,000 Syrian pounds from the entities allowed to participate in auctions, which have been identified according to the list of entities qualified to participate in government securities auctions. The same amount is paid if the subscription is canceled according to the instructions in the guide for settling government securities transactions issued by the Central Bank of Syria.

B- Charges for settlement and central custody operations:

The bank collects charges for settlement and central custody operations as follows:

1. (0.0003) three ten thousandths of the volume of the allocation for each winning participant of treasury bills.
2. (0.0004) four ten thousandths of the volume of the allocation for each winning participant of treasury bonds with a maturity period of 1-5 years.
3. (0.0005) five ten thousandths of the volume of the allocation for each winning participant of treasury bonds with a maturity period exceeding 5 years.
4. (0.0001) one ten thousandths of the value of transactions completed in the secondary market for government securities, taken from both parties of the transaction, excluding internal transfer operations.
5. (0.0004) four ten thousandths of the annual average volume of government securities retained in the client's account opened in the government securities register organized under the provisions of Article (6) of Legislative Decree No. (60) issued in 2007.

Article (3): Penalties on participating entities and due to the bank:

The bank imposes penalties in any of the following cases:

1. In case both parties of the transaction are late in reporting it, a penalty of (0.00001) one hundred thousandths of the transaction value is imposed on each party of the transaction.
2. A penalty of (5,000 Syrian pounds) is imposed on one of the parties of the operation in the following cases:
    - When there are errors in the notifications sent to the bank related to the operations that took place in the market, as specified in the guide for settling government securities transactions.
    - When a party of an operation requests the cancellation of a notification that was previously sent to the system manager.

Article (4): This decree shall come into effect as of 1 January 2011.

Article (5): This decree shall be made public and communicated to whom it may concern for implementation.

Minister of Finance
Dr. Muhammed Hussein

The Governor of the Central Bank of Syria
Dr. Adeeb Mayyaleh

16 March 2011