Syrian Arab Republic

Monetary and Credit Council

الجمهوريَّة العربيَّة السوريَّة

مجلس النقد والتسليف

Decision No. (391/M.C.C)

The provisions of the Law of Central Bank of Syria and the Basic Monetary Law No. /23/ dated 17/03/2002,

The Monetary and Credit Council's Decision No. 106/M.C.C/B4 dated 13/02/2005,

Basel Committee on Banking Supervision's Paper issued in August 2006 on "High-Level Principles for Business Continuity" and securing the sound progress of the banking business,

The memorandum submitted in its session held on 05/05/2008,

Has decided the following:

Article 1 – The approval of the instructions on the requirements for ensuring the continuity of the banking business as follows:

First – The Duties and Responsibilities of the Bank's Board of Directors and Senior management:

- The bank or financial institution's board of directors or senior management shall be jointly responsible for having effective and comprehensive methods and procedures for managing the continuity of business.
- The board of directors or senior management shall foster the culture of continuity of business at all levels working in the bank with a view to enhancing the resilience to operational disruptions, if any.
- It is necessary to establish a specific website or entity to manage crises and ensure the continuity of banking business in the event of a significant operational disruption. Thus, a plan should be developed to provide human resources and infrastructure required to support the bank's way of managing business continuity.
- An appropriate framework should be provided to inform the board of directors and senior management of any business continuity matters, including immediate reporting of incidents, assessment of possible outcomes, and proposing appropriate alternative plans to support resilience to risks facing the bank or financial institution.
- The Business Continuity Department should be evaluated and reviewed by an independent body, such as the bank's internal or external auditor, and the conclusions of this evaluation and auditing shall be communicated to the board of directors and senior management in a timely manner.

Second – Major Operational Disruptions:

The business continuity management shall consider any significant operational failure that may occur as a result of an incident and work to develop appropriate plans to deal with this failure. This requires prioritizing the issues to be resolved depending on the significance of the negative impacts of operational failures, and setting appropriate objectives for the recovery of stalled operations. **The bank's board of directors and senior management are responsible for:**

First: Providing, if possible, an alternative site for continuing work adequately far away from the geographical location where any disruption occurred in order to avoid the risks that caused the incidents at the affected work site.

Second: Ensuring whether the alternative site has sufficient infrastructure, equipment and systems necessary to recover the first site's operations, especially in the event that its main offices are seriously damaged, and maintaining the same for a period of time.

Third: since the primary site's staff will not be available at the alternative site, a sufficient number of workers shall be secured at the alternative site (s) and appropriately trained to carry out their work, the business continuity plan should address how to provide enough staff in number and experience.

Third – Objectives of Recovery:

The bank or financial institution's management should set appropriate objectives for the recovery and continuity of the business, as the continuation of disruptions or interruptions due to certain incidents can negatively affect the bank or financial institution's customers and perhaps the financial system as a whole.

These objectives should determine the expected recovery levels and times for each activity. The bank's management shall inform the Government Commission of any risks or failures immediately upon occurrence.

Fourth – Communications

The business continuity plan developed by the bank or financial institution's management should include adequate and appropriate procedures that ensure communication with the remaining departments and branches in the bank or financial institution as well as with the third parties associated therewith.

This communication is necessary, especially in the early stages of the disruption, in order to know and measure its impact on the bank or financial institution's employees and their operations on one hand, and on the whole financial system on the other hand, with a view to taking appropriate decisions on resorting to the business continuity plan and returning to a state of balance, which provides and supports confidence among actors in the financial sector.

In this context, the business continuity plan should provide comprehensive and effective procedures to address the risks of emergencies and enable communication with the entities with which the bank or financial institution deals. These procedures shall include the following:

- Identifying the third parties to be communicated by the bank should any significant operational disruption occurs, such as the supervisory authority, banks and other financial institutions, stakeholders... etc.
- Identifying the persons in charge of communicating with the bank or financial institution's employees and external stakeholders. These persons can be from senior management, legal department or compliance unit, and shall be able to communicate with parties or workers in isolated locations or locations away from the affected business location.
- Identifying the official entities that can be contacted to address operational incidents occurring to the bank or financial institution.
- Developing secure information and communication systems for key staff in order to respond to any failure in basic communication systems (such as the provision of landline phones, mobile phones, satellite phones, mobile SMS, websites, portable wireless devices..., etc.).

Fifth: Cross-Border Communications

In the event of a major operational disruption and due to the relations between the bank or financial institution and out-of-state entities, the bank or financial institution's management shall, through the business continuity plan, clarify the negative effects that any failure may have on its branches or subsidiaries located in the areas where these entities are located and appropriately plan for how to communicate with them. This includes identifying the contact persons and making appropriate arrangements to contact them in case of failures affecting the communication process.

Sixth - Testing Business Continuity Plans:

The bank or financial institution’s management shall continuously test, evaluate and update business continuity plans in line with the development of circumstances that may result in failures or incidents affecting the bank or financial institution's business continuity. Testing the ability to recover or reform critical processes and activities is an essential element of effective business continuity management that should be considered when setting business continuity management plans. This requires conducting the test in an ongoing manner and working to adapt and update these plans according to the change in the work environment, systems or programs, computers, or the circumstances surrounding the bank or financial institution, provided that this test shall also include all employees who are likely to be engaged in responding to major operational disruptions.

The bank’s approved test program shall be evaluated by an independent body such as the internal or external auditor, so that the test results are reviewed and evaluated. All evaluation conclusions shall be reported to the board of directors and senior management entrusted with addressing gaps and weaknesses in a timely and appropriate manner.

Article 2 - This Decision shall be communicated to all competent bodies to put it into force.

In Damascus, on 05/05/2008

Governor of the Central Bank of Syria
Dr. Adib Mayala

Endorsed by
Prime Minister
Eng. Muhammed Nagi Etri

Secretary of Monetary and Credit Council
Hanaa Ouda