**Syrian Arab Republic**

**Monetary and Credit Council**

الجمهورية العربية السورية

مجلس النقد والتسليف

**NO. 142 / MC**
**Dated 16 November, 2017**

**The Monetary and Credit Council,**
Based on the provisions of the Central Bank of Syria Law and the Basic Monetary System No. 23 of 2002,
The provisions of Law No. 24 of 2006 and its executive instructions,
The provisions of Law No. 29 of 2017, in particular paragraph A of Article 5 therein,
The letter of the Directorate of Banking Supervision No. (9127/16/outgoing) dated 31/10/2017, and upon considerations in its session held on 12/11/2017,
**Decides the following**:

**Approve the adoption of the instructions to implement the provisions of Law No. /29/ for the year 2017, in accordance with following:**

**Article 1**: **Definitions**:

The following terms shall be intended in the context of the application of the provisions of this Decision:

- **Law**: Law No. /29/ for the year 2017.
- **Minimum**: the minimum capital for exchange institutions specified in the provisions of Article /1/ of Law No. /29/ for the year 2017.
- **Licensed institutions**: Exchange institutions whose licensing decision was issued before the issuance of Law No. /29/ for the year 2017, and the decision to register them in the register of exchange institutions maintained at the Directorate of Banking Supervision has not yet been issued.
- **Registered institutions**: Exchange institutions whose decision to register them in the register of exchange institutions held by the Directorate of Banking Supervision was issued prior to the issuance date of Law No. 29 of 2017 and have not yet been duly operated.
- **Operating Institutions**: They are money exchange institutions that have duly started their work prior the issuance date of Law No. 29 of 2017 in accordance with the rules, and the decision to license them was still in effect upon its issuance.
- **license-revoked Institutions**: Exchange institutions that duly started their work prior the issuance date of Law No. /29/ for the year 2017 in accordance with the rules, and their licensing decision was later revoked.
- **License Applications**: Applications for licensing exchange institutions submitted to the Central Bank of Syria prior the issuance date of Law No. /29/ for the year 2017, which have not yet been duly decided.

- **Conversion Applications**: Applications submitted by exchange offices to convert their legal form into a joint-stock exchange company, to the Central Bank of Syria prior to the issuance date of Law No. /29/ for the year 2017, which have not yet been duly decided.

**Article 2**: Phases of full payment of the minimum capital for operating exchange institutions:

- **First Phase**: The end of the first phase shall be determined on 26/03/2018 where operating exchange firms shall be committed to reach a ratio of /50%/ of the full minimum on the date stated, by capitalizing their profits for the fiscal year 2016 and paying the remaining amount required in cash and in one payment to the Central Bank of Syria.
- **Second Phase**: The second phase shall be divided into three semiannual parts, as described below, so that the value of resulting payments shall be determined by each institution in accordance with an approved plan submitted to the Directorate of Banking Supervision, as follows:
    A. Operating exchange institutions shall be obligated to make a payment of the rest of the minimum by 9/26/2018.
    B. Operating exchange institutions are obligated to make a payment of the rest of the minimum by 26/32018.
    C. Operating exchange institutions shall be obligated to complete the payment of 100% of the full minimum at the end of this phase, which is determined on 26/9/2019.

**Article 3**: Licensed, Registered and License-revoked Institutions:

Provisions of Article /2/ above shall apply to each of the licensed, registered, and license-revoked institutions (in the event that their license decision is restored to legal existence under a decision issued by the competent judiciary or by the Monetary and Credit Council according to each case), provided that the minimum capital shall be specified in first phase (of 50% of the entire minimum) and before its end date on 26/3/2018.

**Article 4:** License and conversion applications:

1. Provisions of Article /2/ above shall apply to both licensing applications and conversion applications, provided that the minimum capital shall be specified in the first phase (of 50% of the entire minimum) and before its end date on 26/3/2018.
2. Financial status data for verifying the founders' solvency may be approved within licensing applications / Conversion applications, and duly accept them if they fulfill the required requirements and cover the full value of the contribution of each of them in the amount of the (previous) capital, i.e. that was valid at the time, contrary to any previous procedures or other instructions in effect, provided the following:

A. That these data have been submitted to the Central Bank of Syria on a date prior to the issuance date of Law No. 29 of 2017.
B. Pledge in writing by the founders to state their commitment to complete all licensing procedures with the Central Bank of Syria, in accordance with the provisions of the law, and that they have sufficient financial solvency to pay the full minimum, in addition to submitting the modified licensing form in accordance with the provisions of the law.

3. The deadlines specified under Decision No. (755 /MC/B4) dated 27/7/2011 and its amendments by Decision No. (955/MC/B4) dated 3/3/2013 to complete the licensing documents until the date of 26/3/2018, shall be extended by virtue of the law; this shall apply to all license applications that have not yet been decided to be neglected, and the deadline duly granted to them shall expire before the mentioned date (whichever is later).

**Article 5**: As of the date of the end of the first stage specified on 26/3/2018, all exchange institutions shall be committed to the financial ratios to distribute the assets within their financial statements according to the percentages specified by a decision issued by the Central Bank of Syria's management committee.

**Article 6**: All amounts of increase in the capital shall be paid in accordance with the phases mentioned in Article /2/ above in cash and in one payment to the Central Bank of Syria.

**Article 7**: Legal affirmations:

1. The license granted to exchange institutions covered by the provisions of Article No. /2/ above shall be revoked by virtue of the law in the event that they do not comply with completing the ratio of /100%/ of the minimum by the end of the second phase with all the effects resulting thereto, and by a decision issued by the Monetary and Credit Council.
2. The Monetary and Credit Council shall take appropriate measures against the exchange institutions covered by the provisions of Article No. /2/ above that did not commit to completing 50% of the minimum by the end of the first phase, and those that did not commit to pay the due payments according to the plan approved by the exchange institutions, and according to the dates included in items (A and B) of the second phase mentioned above, in accordance with the provisions of the Administrative Penal Regulations and Corrective Remedial Procedures established by virtue of Prime Ministry Decision No. (5727 /Council of Ministers) dated 26/04/2012.

**Article 8**: The following shall be approved:

1. Increase the capital of all exchange institutions subject to the provisions of the law to the minimum, and each increase over this limit shall require an independent approval.
2. Amend all provisions mentioned in the articles of incorporation / articles of association (as the case may be) for all exchange institutions subject to the provisions of the law, in accordance with the requirements for raising capital in accordance with item /1/ above, and provisions of the laws and regulations in force.

**Article 9:** The Directorate of Banking Supervision shall be assigned to follow-up the implementation of the provisions of this decision, and to submit what is needed in this regard to the Monetary and Credit Council, along with the appropriate proposals, so that the necessary measures may be duly taken by it according to the rules.

**Article 10:** This decision shall be notified to whoever is required to implement it, and shall be published in the Official Gazette.

**Chairman of the Monetary and Credit Council**

**Dr. Duraid Dergham**

**Certified by the Prime Minister**

**Engineer Imad Khamis**