**Draft Project of the Instructions of Central Risks System**

These Instructions shall be known as **“The Instructions of Central Risks System for the year 2012”** & shall come into effect as of---------.

The following words & phrases wherever mentioned in these Instructions shall have the meanings ascribed thereto hereunder unless the context indicates otherwise:

1. **The Commission:** The Jordan Securities Commission (JSC).
2. **The Board:** The Board of Commissioners of the Commission.
3. **The System:** The **‘Central Risks System’**; is an electronic system that enables the **Financial Broker** to download data of his clients & to inquire about Information of Central Risks by their legal authorization.
4. **Information of Central Risks:** information of the client total account receivables to all Financial Brokerage Companies, including those granted to him by Financial Brokers & guarantees provided in return of these account receivables.
5. **Financial Broker:** Any person engaged in the business of buying & selling securities for the account of others.
6. **Senior Management:** Chairman & members of the Board of Directors/ Board of Executives & the General Manager of a Financial Brokerage Company.
7. **Client:** Any person identified in the Securities Depository Center (SDC), dealing & wishing to deal with a Financial Broker to trade in Amman Stock Exchange.
8. **The Market:** TheAmman Stock Exchange (ASE) or any Trading Market in Securities licensed by the Commission.
9. **Legal Authorization of Viewing:** The client written approval to the Financial Broker granting him Legal Authorization of Viewing his Information of Central Risks at the Commission.

The Commission shall provide the Financial Broker with the service of Central Risks System, to view all clients Information of Central Risks in all Financial Brokerage Companies operating in the Market, including total indebtedness & value of guarantees in return of this.

The Financial Broker shall have the right to inquire regularly about his current & new clients via the System to take decisions to finance them by virtue of their Legal Authorization.

The Legal Authorization of Viewing referred to in Article (4) above includes the following:

1. The clients’ approval to the Financial Broker to inquire about & to view via the System, Information of Central Risks in Financial Brokerage Companies.
2. The clients’ approval to the Financial Broker to provide his Information of Central Risks to the Commission to insert it in the System.
3. The purpose of having the client Central Information Risks & his right to view it.

The Financial Broker shall keep Legal Authorizations according to the specified period of time by the Board that entitles him to inquire about clients.

1. All licensed Financial Brokerage Companies in the Market shall submit an electronic file to the Commission on the Accredited Form by the Board, containing all clients Information of Central Risks whose indebtedness exceeded JD (5000). The electronic file shall include the amount of granted finance, the market value of a portfolio & guarantees provided in return of this finance.
2. The aforementioned file in Paragraph (A) of this Article shall be submitted to the Commission by the end of the last working day of every week & at maximum by the end of the first working day of the coming week. The data of this information shall be available to the users of the System by the end of the first working day of every week.

The authority to inquire about clients data & to enter to the Central Risks System shall be the sole responsibility of the Chairman of the Board of Directors or the General Manager as well as, the Compliance Officer. Delegating this authority to other employees shall be prohibited & the Commission must be informed with the names of authorizers.

The System provides a special record of all inquiry processes made by the Financial Broker & the Commission shall have the right to inquire about the purpose of any of these.

Financial Brokerage Companies are prohibited to conduct any of the following subject to legal liability:

1. Misuse of the System.
2. Inquire about any client without a Legal Authorization.
3. Inquire about any client via the System for other than its intended purpose.
4. Provide information taken from the System about any client to others.
5. Refrain to inform the client of information taken via the System.
6. Submit false or incomplete or misleading information.

Financial Brokerage Companies shall comply to maintain confidentiality of information & to apply secure & safe procedures to protect information of the System from any intruders on its information systems or from amending any information subject to legal liability.

The client shall have the right to object to the Commission on any Information of Central Risks related to him according to the Boards’ procedures.