JOPACC
INNOVATING DIGITAL FINANCIAL SOLUTIONS

Self-assessment against the Principles for Financial Market Infrastructures (PFMI)

2025

Introduction to the Self-Assessment of the Principles for Financial Market Infrastructures (PFMI)

The **Principles for Financial Market Infrastructures (PFMIs)**, issued by the Committee on Payments and Market Infrastructures (CPMI) of the Bank for International Settlements and the International Organization of Securities Commissions (IOSCO), represent the international standards for systemically important financial market infrastructures, such as payment systems, central securities depositories, and central counterparties. When effectively applied, these principles help ensure that financial market infrastructures, including payment systems, are robust, resilient, and capable of withstanding financial shocks.

As the official operator of the payment systems in Jordan, Jordan Payments and Clearing Company (JoPACC) is required to maintain alignment with international best practices and standards, including the CPMI-IOSCO PFMIs. JoPACC conducts a self-assessment of the PFMI principles every three years to evaluate its level of compliance with the relevant principles and to identify areas for continuous improvement.

This document represents JoPACC's self-assessment of the PFMI principles for the year 2025. It was conducted as part of the company's approved assessment cycle covering a three-year period and reflects the level of compliance as of the end of 2025. This self-assessment also provides a degree of transparency to the Central Bank of Jordan and serves as an opportunity to review the effectiveness of JoPACC's operations and its comprehensive risk management framework.

The Instant Payment System (IPS), which includes CliQ and JoMoPay, as well as the Automated Clearing House (ACH) and the Electronic Cheques Clearing System (ECC), are recognized payment systems under the Central Bank of Jordan Law. JoPACC is also required to conduct a self-assessment of SWIPS systems in accordance with the instructions issued by the Central Bank of Jordan. SWIPS includes the following systems operated by JoPACC: the Electronic Cheques Clearing System (ECC), the Automated Clearing House (ACH), and the Instant Payment System (IPS).

This self-assessment report consists of three main sections:

Section (A): Overview of JoPACC
Provides a summary of Jordan Payments and Clearing Company's mandate, the legal and regulatory framework within which it operates, as well as the payment systems it manages.

Section (B): Summary of Self-Assessment Results
Presents an overview of the Principles for Financial Market Infrastructures (PFMI) assessment framework and the criteria used in the evaluation, in addition to the self-assessments conducted by JoPACC during this year.

Section (C): Principle-by-Principle Analysis
Provides detailed assessments and explanations for each relevant PFMI principle. The responses have been prepared in line with the key considerations specified for each applicable principle.

Section (A): What is JoPACC?

Section One: Overview of JoPACC

The Jordan Payments and Clearing Company (JoPACC) is a private shareholding company that operates as the national operator of payment systems. It manages and develops a number of retail payment systems and provides innovative digital financial solutions that directly benefit end users, in addition to producing and disseminating knowledge related to digital financial services in Jordan.

In 2022, JoPACC expanded its scope of operations to support fintech innovation through the launch of JOIN Fincubator, a fintech incubator aimed at supporting the development, testing, and deployment of financial technology products and services.

JoPACC owns four payment systems; however, it operates three of them within the Hashemite Kingdom of Jordan:

- Automated Clearing House (ACH)
- Instant Payment System (IPS), including CliQ and JoMoPay (mobile payment system in Jordan)
- Electronic Cheques Clearing System (ECC)

JoPACC's vision is to promote digital financial services as a key driver of financial inclusion and the digital economy. Its mission is:

"To ensure that digital financial services in the Kingdom are secure, efficient, interoperable, accessible, and aligned with international standards."

JoPACC was established in March 2017 and is owned by the Central Bank of Jordan and all banks operating in Jordan, which currently number 20 banks, with a capital of JOD 12 million. Its clients include banks operating in the Kingdom and Payment Service Providers (PSPs), which connect to JoPACC's payment systems to deliver digital financial services to end users.

JoPACC operates under a Board of Directors chaired by the Governor of the Central Bank of Jordan, while day-to-day operations are managed by the General Manager and the executive management team.

Prior to the establishment of JoPACC, the Automated Clearing House (ACH), the Electronic Cheques Clearing System (ECC), and one component of the Instant Payment System (IPS)—namely JoMoPay—were operated by the Central Bank of Jordan.

In January 2020, the operation of JoMoPay was transferred to JoPACC, and in June of the same year, the CliQ system was developed and launched. In December 2021, JoMoPay was upgraded to the ISO 20022 standard and incorporated into the Instant Payment System (IPS), enabling interoperability between banks (under CliQ) and mobile payment service providers (under JoMoPay).

In 2023, the operations of both the Automated Clearing House (ACH) and the Electronic Cheques Clearing System (ECC) were transferred to JoPACC, making it the official operator of the three retail payment systems.

The eFAWATEERcom system is the national electronic bill presentment and payment system. It is owned by JoPACC and operated by MadfooatCom, which conducts its own PFMI self-assessment based on the risks it manages and its governance framework to ensure compliance with these principles.

JoPACC operates its infrastructure through hosting arrangements with cloud service providers across primary and disaster recovery sites, ensuring business continuity. These arrangements are governed by robust and binding legal agreements and service level agreements (SLAs) that comply with relevant regulations.

Section Two: Legal and Regulatory Framework of JoPACC

The economic activities of the Jordan Payments and Clearing Company (JoPACC) are conducted in accordance with its official registration with the competent authorities in the Kingdom, following approval from the Central Bank of Jordan. These activities are classified under the scope of permitted operations for licensed payment system operators.

Accordingly, JoPACC's operation of the three payment systems—Automated Clearing House (ACH), Instant Payment System (IPS), and Electronic Cheques Clearing System (ECC)—is subject to macroprudential oversight, regulation, and supervision by the Central Bank of Jordan. It is also governed by the Companies Law, the Personal Data Protection Law, the Electronic Transactions Law, and other relevant Jordanian legislation.

In addition, the Automated Clearing House (ACH), Instant Payment System (IPS), and Electronic Cheques Clearing System (ECC) have been designated for settlement finality pursuant to Article 50(d) of the Central Bank of Jordan Law.

Section Three: Overview of Systems Owned by JoPACC

First: Systems Operated by JoPACC

1. Automated Clearing House (ACH)

The Automated Clearing House (ACH) system processes bulk automated retail payments through Direct Credits and Direct Debits.

1 **Direct Credits**: Used to process payments such as salaries, dividend distributions, social security payments, and other payments, with a maximum limit of JOD 100,000 per transaction.
2 **Direct Debits**: Used to process scheduled recurring payments such as mortgage installments, auto loans, subscriptions, and similar payments.

2. Electronic Cheques Clearing System (ECC)

Launched in 2007, the Electronic Cheques Clearing System (ECC), significantly enhanced existing clearing services by enabling same-day cheque clearing across banks. In 2023, the system was further upgraded to introduce new features and boost operational efficiency.

The system operates under the Central Bank of Jordan Law, the Electronic Transactions Law, and the regulatory rules governing electronic cheque clearing in Jordan. Direct connectivity is restricted to banks, in accordance with legislation granting banks exclusive authority to issue cheques.

Through ECC, physical paper cheques are converted into electronic images for interbank processing. This includes transmission of cheque data, images, and codes through the system with net balances calculated at specified intervals.

Cheques remain a key payment instrument in the Jordanian economy, with approximately 7 million cheques processed annually, totaling around JOD 40 billion, positioning the ECC as a main component of the financial system.

3. CliQ System

CliQ, launched by JoPACC in 2020, is Jordan's foremost instant payment system. It enables immediate transfer of funds between bank accounts across all participating banks, as well as between bank accounts and mobile wallets.

Participating banks have integrated CliQ into their mobile banking applications, ensuring seamless access for users.

As a fully interoperable system, CliQ adopts the ISO 20022 financial messaging standard and aligns with international principles for financial market infrastructures. It represents a key addition to Jordan's payment ecosystem and a strategic pillar for JoPACC.

Entities eligible for direct participation in the system include institutions that maintain ongoing relationships with customers and accept deposits, such as:

- Banks
- Mobile payment service providers
- Merchant acquirers

4. JoMoPay System

JoMoPay is an electronic system that provides instant mobile payment services. Mobile wallets are registered on the system to enable fund transfers between wallets as well as between wallets and bank accounts.

The system was officially launched in 2014 in response to the rapid development of mobile payment services, particularly for storing and transferring small-value funds to meet users' financial needs. Eligible direct participants include banks, mobile payment service providers, and merchant acquirers.

In December 2021, JoMoPay was upgraded to comply with the ISO 20022 financial messaging standard. This upgrade enabled instant interoperability between JoMoPay and CliQ, allowing seamless transfers between all mobile wallet users in Jordan and bank customers participating in CliQ.

Following the upgrade, users gained access to additional features, including:

- Use of aliases as user identifiers
- Beneficiary name verification before completing transfers
- Instant transfer confirmation notifications

Additionally, wallet users can perform cardless cash deposits and withdrawals at ISO 20022-compliant ATMs. Both bank and wallet users can make instant merchant payments by scanning QR codes through mobile applications, enabling fast, seamless, and secure transactions.

Accordingly, the Instant Payment System (IPS) comprises both CliQ and JoMoPay, collectively operating under the unified umbrella of the Instant Payment System.

Second: Systems Owned by JoPACC and Operated by Third Parties

1. eFAWATEERcom System

The eFAWATEERcom is an electronic bill presentment and payment system. Launched in 2014, it is one of the most advanced systems contributing to the expansion of digital payments in Jordan. The system is owned by JoPACC but operated by **MadfooatCom** through an outsourcing arrangement. The eFAWATEERcom system operates in collaboration with billers—entities that issue bills and receive payments for a wide range of services. These bills can be paid 24/7 through the system, which currently hosts 406 billers and covers 1,195 services.

Third: Clearing and Settlement

All systems operated by Jordan Payments and Clearing Company (JoPACC)—whether owned and operated directly or owned and outsourced—are retail payment systems based on Deferred Net Settlement (DNS). These systems aggregate executed payment transactions and calculate net positions for each settlement cycle throughout the day, after which the resulting net balances are settled. This means that clearing and settlement are conducted as separate processes.

While clearing takes place within the central infrastructure of each payment system—where net obligations for each participant are calculated—final settlement is subsequently conducted at the Central Bank of Jordan through the Real-Time Gross Settlement (RTGS) system infrastructure, using banks' accounts held at the central bank, commonly referred to as central bank money.

Settlement cycles occur between one to three times daily, depending on the respective payment system. All three systems operate on a prefunding basis within the RTGS environment, where direct settlement participants maintain sufficient cash balances to cover their net obligations. In addition, collateral held within the DEPO/X system at the Central Bank of Jordan is utilized to mitigate credit risk among participants during the settlement process.

Fourth: Hosting

The infrastructure hosting of the systems is distributed across multiple cloud service providers, while specialized teams at Jordan Payments and Clearing Company (JoPACC) are responsible for operating and managing this infrastructure.

Section (B): Summary of Self-Assessment Results

Scope of Application of the Principles

The self-assessment covers relevant principles applicable to Jordan Payments and Clearing Company (JoPACC) in its capacity as a payment systems operator.

Assessment Framework

JoPACC has adopted the assessment framework outlined in the Disclosure and Assessment Methodology of the Principles for Financial Market Infrastructures (PFMIs), as follows:

Observed	The Financial Market Infrastructure complies with the principle. Any identified gaps or shortcomings are not considered a cause of concern, as they are minor and can be easily addressed, and can be resolved by the relevant entity in the normal course of business.
Broadly Observed	The Financial Market Infrastructure generally complies with the principle. The assessment has identified one or more issues that require remediation and follow-up within a specific timeframe.
Partly Observed	The Financial Market Infrastructure partially complies with the principle. The assessment has identified one or more issues that could become significant risks if not addressed promptly, therefore high priority should be given to remediation.
Not Observed	The Financial Market Infrastructure does not comply with the principle. The assessment has identified one or more high-risk issues that require immediate action and should therefore be given the highest priority for remediation.
Not Applicable	The principle does not apply to the type of financial market infrastructure being assessed, due to its legal, institutional, structural, or other related characteristics.

The table below presents a summary of the self-assessment results of Jordan Payments and Clearing Company (JoPACC).

Principle Number	Principle	Assessment

1	Legal Basis	Broadly Observed
2	Governance	Broadly Observed
3	Comprehensive Risk Management Frameworks	Observed
4	Credit Risk	Not Directly Applicable
5	Collateral	Not Directly Applicable
6	Margin	Not Applicable
7	Liquidity Risk	Not Directly Applicable
8	Settlement Finality	Not Directly Applicable
9	Money Settlements	Not Directly Applicable
10	Physical Deliveries	Not Applicable
11	Central Securities Depositories	Not Applicable
12	Exchange-Of-Value settlement Systems	Not Applicable
13	Participant-Default Rules and Procedures	Not Directly Applicable
14	Segregation And Portability	Not Applicable
15	General Business Risk	Broadly Observed
16	Custody And Investment Risks	Not Directly Applicable
17	Operational Risk	Observed
18	Access And Participation Requirements	Observed
19	Tiered Participation Arrangements	Observed
20	FMI Links	Not Applicable
21	Efficiency And Effectiveness	Observed
22	Communication Procedures and Standards	Observed
23	Disclosure Of Rules and Key Procedures	Observed
24	Disclosure of Market Data by Trade Repositories	Not Applicable

Section (C): Principle-by-Principle Analysis

Principle 1 – Legal Basis

Assessment	Broadly Observed
Applicability	**Observed** This principle applies to Jordan Payments and Clearing Company (JoPACC) as a licensed entity operating under the authorization of the Central Bank of Jordan. Accordingly, it is required to comply with all applicable and relevant legislation in force.
	Summary
An FMI should have a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities in all relevant jurisdictions.	The company's legal basis is built on two main pillars. The first pillar is that Jordan Payments and Clearing Company (JoPACC) is a private shareholding company operating in the Hashemite Kingdom of Jordan under its official registration as a duly established Jordanian entity. It complies with all relevant legislation governing companies, including the Companies Law and Personal Data Protection Law. The second pillar is that JoPACC is licensed by the Central Bank of Jordan and operates under its oversight and supervision as an operator of electronic payment systems, providing services related to the management and operation of such systems. Accordingly, system rulebooks (operating rules), access and connectivity standards, technical and operational documentation, as well as any other system-related requirements, are considered legally enforceable documents. These are issued in alignment with applicable laws and regulations and are designed to be clear and easily understandable. Furthermore, the company's relationships with vendors—particularly those providing systems, infrastructure, networks, cybersecurity services, and related components—are governed by comprehensive legal agreements and contracts subject to Jordanian laws and jurisdiction. Despite the comprehensiveness of the company's legal framework and its legal arrangements with all stakeholders, this principle has been assessed as "Broadly Observed." This is due to the absence of dedicated participation agreements for each individual system with direct participants. The

	company is working to elevate this assessment to "Observed" by 2026, having already initiated the development of standardized system participation agreements to be signed with all direct participants.
Key Considerations	**JoPACC's Explanations**
1.1 The legal basis should provide a high degree of certainty for each material aspect of an FMI's activities in all relevant jurisdictions.	• Jordan Payments and Clearing Company (JoPACC) maintains separate and dedicated operating rules for each payment system (system rulebooks), in addition to participation and access criteria and the adopted assessment methodology. • These rules cover the key aspects of payment system operations, including liquidity management, suspension and termination of participant membership, and their financial obligations, as well as the roles and responsibilities of the Central Bank of Jordan (as a participant and as a regulator), the system operator, and system participants. • A core aspect of JoPACC's operations is the continuous provision of payment systems infrastructure through various vendors. JoPACC maintains several contracts governed by Service Level Agreements (SLAs), providing a clear, enforceable legal basis that secures JoPACC's rights as a service recipient.
1.2 An FMI should have rules, procedures, and contracts that are clear, understandable, and consistent with relevant laws and regulations.	• Jordan Payments and Clearing Company (JoPACC) establishes and issues system rulebooks and clear operational procedures that are subject to periodic review, in coordination with internal control functions, the company's legal advisors, and relevant stakeholders, including the Central Bank of Jordan. • JoPACC enters into contractual agreements with payment system vendors and core infrastructure service providers in compliance with applicable Jordanian laws and regulatory and supervisory requirements.
1.3 An FMI should be able to articulate the legal basis for its activities to relevant authorities, participants,	Jordan Payments and Clearing Company (JoPACC) is a licensed payment system operator under the oversight and supervision of the Central Bank of Jordan. Accordingly, the following applies:

and, where relevant, participants' customers, in a clear and transparent way.	• JoPACC's corporate objectives and economic activities are formally registered with the competent authorities in the Kingdom, following approval from the Central Bank of Jordan, and fall within the permitted activities of a licensed payment system operator. • JoPACC has the authority to develop and establish the operating rules (rulebooks) for the payment systems it manages. • Relevant documents and information are regularly (or as needed) shared with concerned stakeholders in a clear and understandable manner. • JoPACC ensures ongoing consultation with relevant legal parties and regulatory authorities to guarantee full legal compliance and effectively respond to evolving market needs. • JoPACC complies with all legislation applicable to its licensed and approved activities. • Any new services or activities are subject to approval by the Central Bank of Jordan.
1.4 An FMI should have rules, procedures, and contracts that are enforceable in all relevant jurisdictions. There should be a high degree of certainty that actions taken by the FMI under such rules and procedures will not be voided, reversed, or subject to stays.	• As Jordan Payments and Clearing Company (JoPACC) operates exclusively domestic payment systems, it ensures that all systems and operating rules (rulebooks) are aligned with applicable laws, regulations, and requirements in Jordan. These rules are developed in consultation with direct participants, legal counsel, and the Central Bank of Jordan. • The currency used across all payment systems operated by JoPACC is the Jordanian Dinar (JOD), the official currency of the Kingdom, in coordination with the Central Bank of Jordan, where settlement of clearing results takes place. The Automated Clearing House (ACH), however, also supports other currencies, which are settled by the Central Bank of Jordan through banks' accounts in those currencies. The Central Bank and banks maintain contractual relationships with correspondent banks holding Nostro accounts in these currencies, governed by their own legal agreements, and JoPACC has no authority over any of them.

	• All rulebooks are shared with direct participants, who are expected to comply with them. • JoPACC enters into multiple contracts with service providers, including Service Level Agreements (SLAs), which are based on a clear and enforceable legal framework that safeguards JoPACC's legal interests and contractual rights as a service recipient.
1.5 An FMI conducting business in multiple jurisdictions should identify and mitigate the risks arising from any potential conflict of laws across jurisdictions.	Key Consideration 1.5 is not applicable, as the payment systems operated by Jordan Payments and Clearing Company (JoPACC) operate exclusively within the Hashemite Kingdom of Jordan.

Principle 2 – Governance

Assessment	Broadly Observed
Applicability	**Observed** This principle fully applies to Jordan Payments and Clearing Company (JoPACC) as a licensed entity operating under the authorization of the Central Bank of Jordan. Accordingly, it is required to comply with all applicable and relevant legislation in force.
Summary	
An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.	Jordan Payments and Clearing Company (JoPACC) documents and discloses its governance arrangements, clearly defining the roles and responsibilities of the Board of Directors, its subcommittees, and the executive management to relevant stakeholders. These arrangements along with JoPACC's strategic objectives, risk management framework, and stakeholder engagement contribute to strengthening the robustness and stability of payment systems. JoPACC is also committed to maintaining these arrangements to enhance the resilience and stability of financial systems. This principle has been assessed as "Broadly Observed" due to the issuance of new governance instructions by the Central Bank of Jordan in 2025, which will become effective and binding in

	February 2026. Although the self-assessment covers the period ending in 2025, the rating reflects JoPACC's commitment to updating all governance-related policies by the end of the first quarter of 2026, after which the assessment is expected to be elevated to "Observed."
Key Considerations	**JoPACC's Explanations**
2.1 An FMI should have objectives that place a high priority on the safety and efficiency of the FMI and explicitly support financial stability and other relevant public interest considerations.	• The mission of Jordan Payments and Clearing Company (JoPACC) explicitly states: "To ensure the provision of digital financial services in the Kingdom that are secure, efficient, interoperable, accessible, and aligned with international standards," demonstrating a strategic commitment to resilience and efficiency. • In addition, one of JoPACC's strategic pillars, specifically the fourth pillar aims to ensure safety, cybersecurity, resilience, privacy, and efficiency, while also strengthening consumer confidence in the company's digital financial services and the associated infrastructure.
2.2 An FMI should have documented governance arrangements that provide clear and direct lines of responsibility and accountability. These arrangements should be disclosed to owners, relevant authorities, participants, and, at a more general level, the public.	• Jordan Payments and Clearing Company (JoPACC) maintains documented governance arrangements that clearly define lines of responsibility and accountability. A comprehensive **Delegation of Authority (DoA) framework** specifies in detail the mandates and authorities assigned to both the Board of Directors and executive management. This matrix covers three main areas: strategy, finance, and administrative and human resources. It also distinguishes between recommendation, approval, and endorsement responsibilities across executive management, board committees, the Board of Directors, and the General Assembly. • A description of the governance arrangements is published on JoPACC's website. The Board of Directors operates in accordance with the company's Articles of Association, internal policies, the Jordanian Companies Law, the Electronic Payment and Fund Transfer Regulation No. (111) of 2017, the Corporate Governance Instructions for Payment and Fund

	Transfer Companies, and other relevant legislation, including the Personal Data Protection Law No. (24) of 2023. • In addition, the system rulebooks (operating rules) clearly define the roles and responsibilities among participants, the system operator, and the Central Bank of Jordan.

2.3
The roles and responsibilities of an FMI's board of directors (or equivalent) should be clearly specified, and there should be documented procedures for its functioning, including procedures to identify, address, and manage member conflicts of interest. The board should review both its overall performance and the performance of its individual board members regularly.
	• The roles and responsibilities of the Board of Directors of Jordan Payments and Clearing Company (JoPACC) are defined in the Articles of Association, internal policies, and the delegation of authority matrix.
	• JoPACC provides the Central Bank of Jordan with all relevant documentation for each Board member, including conflict of interest disclosure declarations, which are completed and signed by all members.
	• The Board of Directors has **constituted** three committees to support it in overseeing the company's activities and operations:
	  • **Compliance and Risk Management Committee:** Supports the Board in monitoring and overseeing compliance with laws, regulations, and internal policies, as well as supervising the company's risk management policies, procedures, and practices, including defining and monitoring the company's risk appetite.
	  • **Audit Committee:** Assists the Board in its internal oversight role by overseeing the internal audit function, assessing its independence and effectiveness, ensuring the reliability of JoPACC's financial reporting, and evaluating the effectiveness of the external audit function.
	  • **Nomination and Remuneration Committee:** Responsible for evaluating the effectiveness and performance of the Board and executive management, aligning the selection and appointment process with applicable regulatory requirements, and assessing the required skills and competencies of both the Board and executive management to ensure they are adequately met.

2.4 The board should contain suitable members with the appropriate skills and incentives to fulfil its multiple roles. This typically requires the inclusion of nonexecutive board member(s).	• As noted in the introduction of this document, Jordan Payments and Clearing Company (JoPACC) is owned 45% by the Central Bank of Jordan, while the remaining 55% is held by all banks operating in Jordan. Accordingly, each shareholder is required to appoint a representative to the General Assembly. • The Board of Directors of JoPACC consists of representatives from nine banks in addition to the Central Bank of Jordan. The banks are represented by their Chief Executive Officers, along with two representatives from the Central Bank, bringing the total number of Board members to 11, including the Chairperson. • The Board is chaired by the Governor of the Central Bank of Jordan.
2.5 The roles and responsibilities of management should be clearly specified. An FMI's management should have the appropriate experience, a mix of skills, and the integrity necessary to discharge their responsibilities for the operation and risk management of the FMI.	• Members of the executive management at Jordan Payments and Clearing Company (JoPACC) have clearly defined roles and responsibilities, with an appropriate level of experience and a diverse range of skills. • All responsibilities of executive management members are clearly outlined in job descriptions, along with required skills and knowledge, including behavioral competencies, to help ensure high standards of integrity. • JoPACC submits the curricula vitae of each executive management member, along with all required information, to the Central Bank of Jordan for prior approval before appointment. While the Board of Directors has delegated authority for approving appointments and terminations of all executive positions to the General Manager (with the exception of internal audit, risk management, and compliance positions—where the General Manager provides recommendations), the Nomination and Remuneration Committee **oversees succession planning** for executive management to ensure the availability of appropriate skills and levels of expertise for these roles.

2.6 The board should establish a clear, documented risk-management framework that includes the FMI's risk-tolerance policy, assigns responsibilities and accountability for risk decisions, and addresses decision making in crises and emergencies. Governance arrangements should ensure that the risk-management and internal control functions have sufficient authority, independence, resources, and access to the board.	• The Board of Directors of Jordan Payments and Clearing Company (JoPACC) has approved a risk management framework and policy, which is reviewed every two years. It has also approved a Business Continuity Management (BCM) policy and related plans that support decision-making during incidents, crises, and emergencies. • The Chief Risk Officer reports directly to the Compliance and Risk Management Committee of the Board. • The Head of Internal Audit reports directly to the Audit Committee of the Board. • Both committees ensure that the risk management and internal audit functions have access to relevant information and to the Board of Directors. • Given its responsibility for ensuring effective management and reporting of JoPACC's overall risk profile, the Compliance and Risk Management Committee advises the Board on approving risk appetite and tolerance levels; identifying, assessing, mitigating, and monitoring risks; following up on breaches of risk limits; overseeing internal controls; and supervising the risk management function. • The Board holds ultimate responsibility for crisis management and business continuity. Accordingly, it has approved the Business Continuity Management policy and related plans, which define how JoPACC responds to incidents and disruptions that may affect the critical systems it operates, including response mechanisms and timelines. However, due to the operational nature of crisis management and business continuity, the Board has delegated these responsibilities to the General Manager. • Internal audit represents the third line of defense, providing independent and objective assurance on the effectiveness of the first and second lines of defense. Functionally, it reports directly to the Audit Committee and administratively to the Chief Executive Officer (General Manager).

2.7 The board should ensure that the FMI's design, rules, overall strategy, and major decisions reflect appropriately the legitimate interests of its direct and indirect participants and other relevant stakeholders. Major decisions should be clearly disclosed to relevant stakeholders and, where there is a broad market impact, the public.	• When developing and updating its strategy, Jordan Payments and Clearing Company (JoPACC) consults with participants, financial institutions, and stakeholders to ensure alignment with market needs and the challenges faced by stakeholders. • JoPACC's strategy is approved by the Board of Directors and subsequently shared publicly. • Annual business plans are approved by the Board of Directors and shared with relevant stakeholders. • Material decisions that impact participants and stakeholders are communicated and disclosed accordingly.

Principle 3 – Comprehensive Risk Management Framework

Assessment	Observed
Applicability	**Observed** This principle applies to risks at the level of Jordan Payments and Clearing Company (JoPACC) as a whole; accordingly, a single consolidated assessment has been adopted.
Summary	
An FMI should have a sound risk-management framework for comprehensively managing legal, credit, liquidity, operational, and other risks.	Jordan Payments and Clearing Company (JoPACC) maintains an appropriate risk management framework and policy, including relevant policies and methodologies. Business continuity-related documentation and plans are also in place. In addition, stress testing and scenario analysis are conducted on a regular basis to ensure the operational continuity of JoPACC and its critical services.
Key Considerations	**JoPACC's Explanations**
3.1 An FMI should have risk-management policies, procedures, and systems that enable it to identify, measure, monitor, and manage the range of risks that arise in or are borne by the FMI. Risk-management frameworks should be subject to periodic review.	• The Board of Directors of Jordan Payments and Clearing Company (JoPACC) has approved a risk management framework and policy, which is reviewed every two years and includes a comprehensive methodology and process. The risk assessment process covers the following steps: risk identification, risk analysis, risk evaluation, risk treatment, monitoring and review, as well as recording and reporting. JoPACC also maintains a Risk Acceptance

	document that defines the governing principles for accepting risks and promotes awareness of acceptable and unacceptable practices. This document is reviewed annually. • All risk management-related documentation is prepared by the Risk Management Department, then reviewed and approved by the Compliance and Risk Management Committee and subsequently reviewed and endorsed by the Board of Directors. • Risk management is aligned with the Three Lines of Defense model. The first line of defense (risk owners) is responsible for owning and managing risks. The second line of defense (risk management and compliance) develops policies and frameworks, and provides support, oversight, and challenge to the first line. The third line of defense (internal audit) provides independent assurance on the effectiveness of the first and second lines. • JoPACC has clear procedures in place to monitor, measure, and manage risks.
3.2 An FMI should provide incentives to participants and, where relevant, their customers to manage and contain the risks they pose to the FMI.	• Participants in each system are required to comply with all operating rules (system rulebooks) applicable to that system. • Jordan Payments and Clearing Company (JoPACC) notifies participants of any disruptions or incidents related to payment systems that may affect the safety, efficiency, or reputation of the infrastructure, as well as any potential impact on participants' customers. • JoPACC's systems provide participants with real-time visibility of their net positions to mitigate and avoid liquidity and settlement risks during settlement cycles. • JoPACC conducts periodic functional testing with participants to ensure the integrity of end-to-end payment flows and to reduce potential risks arising from participants' side. • JoPACC establishes the standards and protocols that participants must adhere to when connecting to the systems, ensuring security and standardization across all participants.

	• JoPACC reserves the right to suspend or terminate any participant if their actions pose a risk to the infrastructure or to other participants.
3.3 An FMI should regularly review the material risks it bears from and poses to other entities (such as other FMIs, settlement banks, liquidity providers, and service providers) as a result of interdependencies and develop appropriate risk-management tools to address these risks.	• Jordan Payments and Clearing Company (JoPACC) conducts periodic risk assessments for all systems to manage risks arising from both the systems themselves and their participants. Particular focus is given to material risks that may impact participants or other payment systems in Jordan, including cybersecurity risks, liquidity and credit risks, and system outage risks. • These periodic risk assessments also cover risks arising from service providers, ensuring that all risks they may introduce are properly managed. • JoPACC maintains contractual agreements, including Service Level Agreements (SLAs), with payment system vendors. These contracts include defined requirements such as system availability levels.

3.4
An FMI should identify scenarios that may potentially prevent it from being able to provide its critical operations and services as a going concern and assess the effectiveness of a full range of options for recovery or orderly wind-down. An FMI should prepare appropriate plans for its recovery or orderly wind-down based on the results of that assessment. Where applicable, an FMI should also provide relevant
authorities with the information needed for purposes of resolution planning.
	• Jordan Payments and Clearing Company (JoPACC) conducts regular stress testing and scenario analysis on its financial data, including credit and liquidity risks, to ensure the continuity of its operations, alongside implementing activities to mitigate related risks.
	• JoPACC has developed a Business Continuity Management (BCM) policy, which is reviewed annually and includes the following components:
	  • Roles and responsibilities;
	  • Business continuity risk assessment;
	  • Business impact analysis;
	  • Succession planning for business continuity;
	  • Critical systems and services, including the Instant Payment System, the Electronic Cheques Clearing System, the Automated Clearing House (ACH), and the API gateway
	• JoPACC conducts disaster recovery site failover testing at least once annually for each system, and additionally when needed.

Principle 4 – Credit Risk

Assessment	Not Directly Applicable

Applicability	**Partly Observed** This principle applies partially to the unified approach adopted by Jordan Payments and Clearing Company (JoPACC) in managing credit exposures across the payment systems it owns and operates (Automated Clearing House (ACH), Electronic Cheques Clearing System, and the Instant Payment System).
Summary	
An FMI should effectively measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes. An FMI should maintain sufficient financial resources to cover its credit exposure to each participant fully with a high degree of confidence.	**Assessment:** Jordan Payments and Clearing Company (JoPACC) complies with this principle. As an operator of retail payment systems that function on a deferred net settlement basis, JoPACC is exposed to a very limited level of credit risk, which it monitors and manages on a regular basis. The following outlines how credit risk is managed among direct participants within the three payment systems.
Key Considerations	**JoPACC's Explanations**
4.1 An FMI should establish a robust framework to manage its credit exposures to its participants and the credit risks arising from its payment, clearing, and settlement processes. Credit exposure may arise from current exposures, potential future exposures, or both.	**First: JoPACC's Credit Risk** • Jordan Payments and Clearing Company (JoPACC) is exposed to **minimal credit risk**, primarily arising from the **occurrence of the following credit events**: Default by direct participants in settling subscription fees and/or system-related charges. • Default by direct participants in settling claims due for their subscription fees related to other systems and services, outside the managed payment systems, provided through the API Gateway. • Concentration risk arising from holding the majority of JoPACC's capital reserves with a Jordanian bank. • Risks related to the settlement of subscription fees and/or charges for payment systems whose operations are outsourced to a third party (such as eFAWATEERcom). In the fourth quarter of 2025, and within its risk management framework and policy, JoPACC conducted a financial stress testing exercise (to be conducted at least once every two years). Severe

scenarios were developed to assess potential financial losses arising from credit risk and to estimate the level of financial resources required to cover such exposures. The results of these exercises concluded that credit risk does not have a material financial impact on JoPACC.

While JoPACC could incur significant losses in the event of a default by the bank holding most of its funds, the probability is considered negligible, resulting in an overall low risk rating.

Nevertheless, JoPACC plans to implement risk mitigation strategies by diversifying its cash deposits across three of the largest banks operating in Jordan during the second quarter of 2026.

Second: Credit Risk within Payment Systems among Direct Participants

- Within the Automated Clearing House (ACH), Instant Payment System (IPS), and Electronic Cheques Clearing System (ECC), credit exposure arises between direct participants on a multilateral basis, and this exposure is not borne by JoPACC.
- This exposure is managed through settlement arrangements of net clearing positions using banks' accounts at the Central Bank of Jordan (central bank money) within the Real-Time Gross Settlement (RTGS) system, which is continuously and prudently monitored by the Central Bank.
- All three systems operate based on setting a debit cap for each participant, in coordination with the Central Bank and in accordance with applicable regulations. Participants notify the Central Bank of their requested debit cap based on their operational needs. Upon regulatory approval, the Central Bank informs the participant, who then submits a request to update the debit cap in the system. This request is approved by JoPACC's operations team after confirming Central Bank approval. The system also generates automated alerts when a participant's transactions approach a predefined percentage of the assigned debit cap.

	With respect to currencies other than the Jordanian Dinar supported by the ACH system, banks may access liquidity—if unavailable at the time of settlement—by borrowing from the Central Bank or other banks using instruments provided by the Central Bank. The Central Bank imposes penalties on member banks that fail to maintain sufficient liquidity to complete settlement within the required timeframe.
4.2 An FMI should identify sources of credit risk, routinely measure and monitor credit exposures, and use appropriate risk-management tools to control these risks.	• Fees and subscriptions are a primary income source for Jordan Payments and Clearing Company (JoPACC). To support the monitoring and measurement of credit risk related to the collection of participant subscription fees, JoPACC has agreed with participants and the Central Bank of Jordan to directly debit the amounts due from participants' accounts held at the Central Bank through the Real-Time Gross Settlement (RTGS) system, for the three payment systems operated by JoPACC. • JoPACC's financial resources consist of cash balances held with several Jordanian banks. These resources are readily available and can be utilized to mitigate the financial impact of credit losses arising from participant default or non-payment of due invoices, if required. • Credit risks related to participants within the systems are addressed as outlined above under Key Consideration (4.1).
Key Considerations **4.3**, **4.4**, **4.5**, and **4.6** are not applicable to retail payment systems.	
4.7 An FMI should establish explicit rules and procedures that address fully any credit losses it may face because of any individual or combined default among its participants with respect to any of their obligations to the FMI. These rules and procedures should address how potentially uncovered credit losses would be allocated, including the repayment of any funds an FMI may borrow from liquidity providers. These rules and	In addition to the financial and credit stress testing conducted by Jordan Payments and Clearing Company (JoPACC) under its risk management framework and policy, as outlined in Key Consideration (4.1), the company maintains the **operational flexibility** to bolster its financial position and ensure **business continuity**, even under extreme conditions, through the following measures: • Increasing revenues and raising annual subscription fees for the systems operated by the company.

procedures should also indicate the FMI's process to replenish any financial resources that the FMI may employ during a stress event, so that the FMI can continue to operate in a safe and sound manner.	• Reducing the cost base by temporarily suspending or permanently discontinuing non-essential functions or expenditures. • Applying a combination of the above measures. • Submitting a request to shareholders to increase capital through additional financial contributions from the shareholder banks. Credit risks among participants in the three payment systems operated by JoPACC are fully mitigated through prefunding arrangements within the Real-Time Gross Settlement (RTGS) system at the Central Bank of Jordan. This ensures that all exposures for all settlement participants are fully covered under all circumstances through the multiple mechanisms provided and prudently managed by the Central Bank.

Principle 5 – Collateral

Assessment	Not Directly Applicable
Applicability	**Partly Observed** Jordan Payments and Clearing Company (JoPACC) does not hold any collateral provided by participants for the three payment systems. Participants fulfill their financial obligations toward other participants within each payment system in accordance with the applicable participation model.
Summary	
An FMI that requires collateral to manage its or its participants' credit exposure should accept collateral with low credit, liquidity, and market risks. An FMI should also set and enforce appropriately conservative haircuts and concentration limits.	Jordan Payments and Clearing Company (JoPACC) does not directly hold or manage collateral assets provided by participants for the three payment systems. Participants fulfill their financial obligations toward other participants within each system in accordance with the applicable participation model. Settlement participants meet their financial obligations using cash balances held at the Central Bank of Jordan through the Real-Time Gross Settlement (RTGS) system, as well as government securities maintained in the Central Securities Depository (DEPO/X). Non-settlement participants meet their obligations through settlement arrangements with their respective settlement

	agents, in line with the relevant regulations issued by the Central Bank of Jordan. Accordingly, no credit, liquidity, or market risks arise from collateral within the three payment systems, and therefore there is no need to apply haircuts or concentration limits on collateral.
Key Considerations	**JoPACC's Explanations**
5.1 An FMI should generally limit the assets it (routinely) accepts as collateral to those with low credit, liquidity, and market risks.	Jordanian Dinar reserves and marketable government securities held at the Central Bank of Jordan are the only forms of collateral eligible for **settlement-level obligations** in the three payment systems. In the event that a settlement participant defaults on its settlement obligations, the Central Bank of Jordan has the right to access and utilize these collateral assets to ensure the completion of settlement.
5.2 An FMI should establish prudent valuation practices and develop haircuts that are regularly tested and take into account stressed market conditions.	In line with Key Consideration 5.1, there is no requirement for Jordan Payments and Clearing Company (JoPACC) to apply haircuts, as the Central Bank of Jordan applies haircuts based on its own assessment.
5.3 In order to reduce the need for procyclical adjustments, an FMI should establish stable and conservative haircuts that are calibrated to include periods of stressed market conditions, to the extent practicable and prudent.	In line with Key Consideration 5.1, there is no requirement to apply haircuts or make adjustments related to economic cycle changes, as the Central Bank of Jordan takes the necessary actions based on its own assessment.
5.4 An FMI should avoid concentrated holdings of certain assets where this would significantly impair the ability to liquidate such assets quickly without significant adverse price effects.	In line with Key Consideration 5.1, there is no risk of adverse price effects or procyclical market conditions, nor is there any risk affecting the ability to liquidate collateral.
5.5 An FMI that accepts cross-border collateral should mitigate the risks associated with its use and ensure that the collateral can be used in a timely manner.	In line with Key Consideration 5.1, this consideration is not applicable to Jordan Payments and Clearing Company (JoPACC), as the Central Bank of Jordan applies its own policies and assessments regarding domestic and cross-border collateral.

Principle 7 – Liquidity Risk

Assessment	Not Directly Applicable
Applicability	**Partly Observed** This principle applies partially to the payment systems owned and operated by Jordan Payments and Clearing Company (JoPACC) (Automated Clearing House (ACH), Electronic Cheques Clearing System, and Instant Payment System), where settlement participants/settlement agents fulfill their financial obligations through their accounts held at the Central Bank of Jordan within the Real-Time Gross Settlement (RTGS) system, as well as through government securities held in the DEPO/X system. Accordingly, liquidity risk is managed by the Central Bank of Jordan in accordance with the applicable regulations.
	Summary
An FMI should effectively measure, monitor, and manage its liquidity risk. An FMI should maintain sufficient liquid resources in all relevant currencies to effect same day and, where appropriate, intraday and multiday settlement of payment obligations with a high degree of confidence under a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would generate the largest aggregate liquidity obligation for the FMI in extreme but plausible market conditions.	Although Jordan Payments and Clearing Company (JoPACC) does not bear liquidity risk as part of its operation of the three payment systems, it monitors and establishes requirements for managing liquidity risk among participants through contractual arrangements and rules that provide a framework and legal basis for managing any liquidity risks that may arise between participants. Settlement participants/settlement agents fulfill their financial obligations through the Central Bank of Jordan via the Real-Time Gross Settlement (RTGS) system, as well as through government securities held in the DEPO/X system. Debit caps for settlement participants in each payment system are approved and monitored by the Central Bank of Jordan. Also, direct settlement participants are notified in advance of their **net settlement positions** through the systems.
Key Considerations	**JoPACC's Explanations**
7.1 An FMI should have a robust framework to manage its liquidity risks from its participants, settlement banks, nostro agents, custodian banks, liquidity providers, and other entities.	**Liquidity Risk in the Systems:** Liquidity risk arises in each of the three payment systems if a settlement participant is unable to fund its debit settlement position in the Real-Time Gross Settlement (RTGS) system. This risk is effectively managed through **pre-funding requirements** maintained by settlement participants at the

	Central Bank of Jordan, ensuring the availability of sufficient funds to support settlement. **JoPACC's Liquidity Risk:** Jordan Payments and Clearing Company (JoPACC) has conducted comprehensive stress testing covering both credit and liquidity risks to accurately assess the resilience of its financial position under adverse conditions. The stress tests included a set of key financial indicators, namely: • Current Ratio • Leverage Ratio • Return on Equity • Total Debt Ratio These indicators were incorporated into carefully designed scenarios, each developed to simulate potential shocks, enabling a detailed assessment of the magnitude and nature of their impact on these key metrics.
7.2 An FMI should have effective operational and analytical tools to identify, measure, and monitor its settlement and funding flows on an ongoing and timely basis, including its use of intraday liquidity.	Although all payment systems operated by Jordan Payments and Clearing Company (JoPACC) are settled through banks' accounts at the Central Bank of Jordan using prefunding arrangements that ensure sufficient funds are available to support settlement within the RTGS system, JoPACC has established clear measures to mitigate liquidity risk among participants. These measures include: 1. **Debit Caps:** Participants are required to set their debit caps based on their expected maximum debit position at any given time. 2. **Approval Requirements:** The setting of debit caps for settlement participants requires approval from the Central Bank of Jordan, taking into account applicable regulations. 3. **Monitoring of Debit Caps:** Participants can monitor their debit caps and resulting obligations in real time, providing clear visibility over their current positions and expected debit amounts in the RTGS system. 4. **Notifications and Alerts:**

	Payment systems are equipped with notification and alert mechanisms that inform participants in real time when their debit cap reaches a predefined percentage of the assigned limit. 5. **Settlement Windows and Timing:** Given the timing of settlement cycles within the systems, direct participants have sufficient time to increase their debit caps prior to the designated cut-off time and before settlement in the RTGS system. Additionally, settlement sessions are scheduled in a manner that optimizes participants' liquidity and reduces associated risks. The above measures, together with the processes and controls established by the Central Bank of Jordan, ensure effective mitigation and management of liquidity risk.
Key Considerations **7.3 to 7.9** are not applicable, as Jordan Payments and Clearing Company (JoPACC) is not required to maintain its own liquidity resources to support settlement, since settlement is conducted using banks' accounts at the Central Bank of Jordan through the RTGS-JO system.	
7.10 An FMI should establish explicit rules and procedures that enable the FMI to effect same-day and, where appropriate, intraday and multiday settlement of payment obligations on time following any individual or combined default among its participants. These rules and procedures should address unforeseen and potentially uncovered liquidity shortfalls and should aim to avoid unwinding, revoking, or delaying the same-day settlement of payment obligations. These rules and procedures should also indicate the FMI's process to replenish any liquidity resources it may employ during a stress event, so that it can continue to operate in a safe and sound manner.	Settlement obligations of participants across all payment systems are secured through settlement accounts maintained by settlement banks at the Central Bank of Jordan within the RTGS system, as well as through government securities held in the DEPO/X system for each settlement participant. As a payment system operator, Jordan Payments and Clearing Company (JoPACC) does not hold any financial collateral from participants. The Central Bank of Jordan maintains and manages the required reserve balances for all settlement participants and is responsible for liquidating these assets, if necessary, to ensure the successful completion of settlement.

Principle 8 – Settlement Finality

Assessment	Not Directly Applicable
Applicability	**Partly Observed** This principle applies partially to Jordan Payments and Clearing Company (JoPACC), as the net settlement positions of transactions processed by its systems are settled at the Central Bank of Jordan through the Real-Time Gross Settlement (RTGS) system.
Summary	
An FMI should provide clear and certain final settlement, at a minimum by the end of the value date. Where necessary or preferable, an FMI should provide final settlement intraday or in real time.	The net settlement positions of transactions processed by the systems operated by Jordan Payments and Clearing Company (JoPACC) are settled at the Central Bank of Jordan through direct integration with the Real-Time Gross Settlement (RTGS) system, at least twice daily, during the settlement sessions of each system, based on the nature of its operation. Net clearing result files, as well as fee settlement files, are processed separately for each system and for each settlement session.
Key Considerations	**JoPACC's Explanations**
8.1 An FMI's rules and procedures should clearly define the point at which settlement is final.	Settlement schedules and the number of settlement sessions for each system are determined in coordination with the Central Bank of Jordan and system participants, based on the operational nature of each system. The timing of settlement sessions for both transactions and fees is set while taking into account reconciliation processes at participants, reducing liquidity pressure on participants, increasing the injection of liquidity into the market for customers. Participants are notified of settlement schedules through multiple communication channels, including automated notifications directly through the systems on a daily basis. The systems also support **ad-hoc settlement sessions**, adjustment of session timings, or extension of sessions in line with the operating hours of the RTGS system, following coordination with relevant stakeholders.

8.2 An FMI should complete final settlement no later than the end of the value date, and preferably intraday or in real time, to reduce settlement risk. An LVPS or SSS should consider adopting RTGS or multiple-batch processing during the settlement day.	The net settlement positions of transactions processed by the systems operated by Jordan Payments and Clearing Company (JoPACC) are settled at the Central Bank of Jordan through direct integration with the Real-Time Gross Settlement (RTGS) system at least twice daily during official RTGS operating hours. Transactions occurring outside these hours are settled on the next business day. The number of settlement sessions for each system is as follows: • **Electronic Cheques Clearing System (ECC):** Settlement is conducted twice daily, with an additional supplementary session when needed. • **Automated Clearing House (ACH):** Settlement is conducted three times daily. • **Instant Payment System (IPS):** Settlement is conducted three times daily.
8.3 An FMI should clearly define the point after which unsettled payments, transfer instructions, or other obligations may not be revoked by a participant.	The system rulebooks and related technical documentation define the cases in which a participant cannot revoke financial transactions or transfer instructions submitted to the systems but not yet settled, as follows: • **Electronic Cheques Clearing System (ECC):** A participating bank (cheque presenter) may request cancellation of a cheque either before or after acceptance by the counterparty, provided this is done before the closure of the return session. • **Automated Clearing House (ACH):** A participant may request the cancellation of a transfer prior to settlement. • **Instant Payment System (IPS):** Financial transactions cannot be cancelled once initiated on the system. Outside of the automated system rules mentioned above, participants are required to contact the beneficiary customer and obtain their consent in order to cancel, return, or reverse a transfer.

Principle 9 – Money Settlements

Assessment	Not Directly Applicable
Applicability	**Partly Observed** This principle applies partially to Jordan Payments and Clearing Company (JoPACC), as the net

	settlement positions of transactions processed by its systems are settled at the Central Bank of Jordan through the Real-Time Gross Settlement (RTGS) system.
Summary	
An FMI should conduct its money settlements in central bank money where practical and available. If central bank money is not used, an FMI should minimise and strictly control the credit and liquidity risk arising from the use of commercial bank money.	The three payment systems settle exclusively using central bank money (i.e., settlement participants' accounts at the Central Bank of Jordan), and settlement is not conducted through commercial banks.
Key Considerations	**JoPACC's Explanations**
9.1 An FMI should conduct its money settlements in central bank money, where practical and available, to avoid credit and liquidity risks.	For the three payment systems, final settlement takes place at the Central Bank of Jordan through direct integration with the Real-Time Gross Settlement (RTGS) system, which settles transactions using central bank money (i.e., settlement banks' accounts held at the Central Bank), in accordance with Article 50(d) of the Central Bank Law.
Key Considerations **9.2**, **9.3**, **9.4**, and **9.5** are not applicable to retail payment systems.	

Principle 13 – Participant Default Rules and Procedures

Assessment	Not Directly Applicable
Applicability	**Partly Observed** This principle applies partially to the systems operated by Jordan Payments and Clearing Company (JoPACC), as the Central Bank of Jordan is responsible for the methodologies, frameworks, and procedures governing participant default, in accordance with applicable regulations. The Central Bank informs retail payment system operators (such as JoPACC) of the necessary procedures to ensure the settlement of financial obligations owed by participants within these systems.
Summary	
An FMI should have effective and clearly defined rules and	The Central Bank of Jordan is responsible for the methods, mechanisms, and procedures related to

procedures to manage a participant default. These rules and procedures should be designed to ensure that the FMI can take timely action to contain losses and liquidity pressures and continue to meet its obligations.	participant default, in accordance with applicable regulations. It also informs retail payment system operators (such as Jordan Payments and Clearing Company (JoPACC)) of the required procedures to ensure the settlement of participants' financial obligations within the systems. In addition, the operational mechanisms of the systems managed by JoPACC, as well as the debit cap framework for participants, are governed and structured to ensure the fulfillment of financial obligations and the protection of all parties' rights. This is achieved through settlement arrangements conducted via banks' accounts at the Central Bank of Jordan, supported by pre-funding requirements and government securities pledged as collateral. Furthermore, JoPACC reduces liquidity pressure on participants by conducting settlements on a deferred net settlement basis for clearing transactions.
Key Considerations	**JoPACC's Explanations**
13.1 An FMI should have default rules and procedures that enable the FMI to continue to meet its obligations in the event of a participant default and that address the replenishment of resources following a default.	• The procedures and rules governing the Real-Time Gross Settlement (RTGS) system at the Central Bank of Jordan ensure that settlement processes are completed efficiently and that participants' financial obligations are fulfilled. • The procedures and operational mechanisms of the three systems have been designed to safeguard the rights of all parties and ensure the settlement of financial obligations. The operating rules (system rulebooks) also grant Jordan Payments and Clearing Company (JoPACC) the authority to take necessary actions to limit the impact of participant default or failure to meet obligations. • In the event that a participant defaults and is unable to meet its financial obligations toward JoPACC (such as system fees or annual subscription charges), the company has structured its capital management, retained earnings, and legal reserves in a manner that enables it to absorb unexpected losses and maintain business continuity (as outlined in Principles 4 and 7).

13.2 An FMI should be well prepared to implement its default rules and procedures, including any appropriate discretionary procedures provided for in its rules.	• Jordan Payments and Clearing Company (JoPACC) has clear and well-defined procedures and operating rules (system rulebooks) across the three payment systems, aimed at regulating and ensuring the fulfillment of participants' financial obligations while safeguarding the rights of all parties. • The Central Bank of Jordan, in its capacity as the operator of the Real-Time Gross Settlement (RTGS) system, is responsible for managing and monitoring cases of default or failure to settle, and for assessing their likelihood, in accordance with applicable regulations.
13.3 An FMI should publicly disclose key aspects of its default rules and procedures.	• Jordan Payments and Clearing Company (JoPACC) shares all operating rules (system rulebooks), system procedures, and any updates or amendments with participants (as referenced in Principle 21). • The system rulebooks provided to participants include clear provisions regarding the suspension or termination of participation in cases where such action is required. • The Central Bank of Jordan circulates all relevant applicable regulations to banks.
13.4 An FMI should involve its participants and other stakeholders in the testing and review of the FMI's default procedures, including any close-out procedures. Such testing and review should be conducted at least annually or following material changes to the rules and procedures to ensure that they are practical and effective.	Jordan Payments and Clearing Company (JoPACC) conducts the necessary stress testing and scenario analysis to assess potential impacts on its financial resources once every two years. It also performs, when needed, testing with participants related to shutdown procedures. Meanwhile, the Central Bank of Jordan conducts stress testing and scenario analysis as part of its financial stability policy.

Principle 15 – General Business Risk

Assessment	Broadly Observed
Applicability	**Observed** This principle applies to business risks at the level of Jordan Payments and Clearing Company

	(JoPACC) as a whole. JoPACC operates within a risk management framework that enables it to identify, assess, monitor, manage, and report general business risks.
	Summary
An FMI should identify, monitor, and manage its general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that it can continue operations and services as a going concern if those losses materialise. Further, liquid net assets should at all times be sufficient to ensure a recovery or orderly wind-down of critical operations and services.	Jordan Payments and Clearing Company (JoPACC) operates within a risk management framework that enables it to identify, assess, monitor, manage, and report general business risks. JoPACC's earnings and statutory reserves amount are equal to twice the regulatory capital requirement. The company has never distributed dividends to shareholders, with the aim of preserving its financial strength and enhancing its ability to cover potential future needs or losses. One of the key indicators reflecting JoPACC's financial strength is the ratio of current assets to total liabilities, with current assets covering approximately 13x the total liabilities. However, this principle has been assessed as "Broadly Observed" in the 2025 self-assessment due to the absence of a fully developed recovery plan. JoPACC will continue to bolster its capital buffers during 2026 and 2027, in addition to developing a comprehensive recovery plan during 2026, with the aim of achieving an "Observed" rating in the subsequent self-assessment.
Key Considerations	**JoPACC's Explanations**
15.1 An FMI should have robust management and control systems to identify, monitor, and manage general business risks, including losses from poor execution of business strategy, negative cash flows, or unexpected and excessively large operating expenses.	• Jordan Payments and Clearing Company (JoPACC) identifies a range of risks that may have a material impact on its financial soundness, including compliance risk, operational/system-related risk, technological risk, financial risk, and credit risk. • The monitoring and management of general business risks at JoPACC are aligned with the oversight mechanisms established under the enterprise risk management framework (refer to Principle 3). • Risk monitoring includes stress testing to assess potential financial losses arising from general business risks (as detailed under Principles 4 and 7).

15.2
An FMI should hold liquid net assets funded by equity (such as common stock, disclosed reserves, or other retained earnings) so that it can continue operations and services as a going concern if it incurs general business losses. The amount of liquid net assets funded by equity an FMI should hold should be determined by its general business risk profile and the length of time required to achieve a recovery or orderly wind-down, as appropriate, of its critical operations and services if such action is taken.
	• In 2023, Jordan Payments and Clearing Company (JoPACC) agreed with the Central Bank of Jordan to maintain a minimum capital requirement of JOD 10,800,000, which is below the company's actual paid-up capital, reflecting the strength of JoPACC's capital position. JoPACC follows a methodology of maintaining equity sufficient to cover at least:
	  • The equivalent of two years of operating expenses, in addition to the costs of managing JoPACC's payment systems.
	  • General business risks (including one-off exceptional losses).
	  • Credit risk losses.
	  • The funding required to implement JoPACC's recovery plan (refer to Key Consideration 15.3).
	• Work is currently underway to develop this recovery plan, including the establishment of early warning indicators, escalation procedures, and recovery tools. The reserve is built from accumulated surpluses (revenues exceeding expenses) collected from participants. JoPACC maintains these funds in cash within segregated, ring-fenced accounts held at banks operating in Jordan.

15.3 An FMI should maintain a viable recovery or orderly wind-down plan and should hold sufficient liquid net assets funded by equity to implement this plan. At a minimum, an FMI should hold liquid net assets funded by equity equal to at least six months of current operating expenses. These assets are in addition to resources held to cover participant defaults or other risks covered under the financial resources principles. However, equity held under international risk-based capital standards can be included where relevant and appropriate to avoid duplicate capital requirements.	• Jordan Payments and Clearing Company (JoPACC) is currently developing a recovery plan that takes into account extreme risk scenarios that could trigger its activation. These risks are assessed and tested through severe stress scenarios that may significantly impact JoPACC's financial resilience by depleting capital reserves, potentially requiring capital replenishment. Through this approach, JoPACC aims to build sufficient financial resources to absorb exceptional losses and to be in a position to implement its recovery plan when needed. • In addition, total liquid net assets funded by equity amount to approximately six times total operating expenses, which is sufficient to cover operating costs for nearly six years, even under stressed or adverse financial conditions.

	• JoPACC's liquid net assets consist of cash held in designated accounts with banks operating in Jordan, where such funds are readily available to mitigate potential losses when required. • JoPACC has diversified its cash holdings across three banks operating in Jordan.
15.4 Assets held to cover general business risk should be of high quality and sufficiently liquid in order to allow the FMI to meet its current and projected operating expenses under a range of scenarios, including in adverse market conditions.	• Jordan Payments and Clearing Company (JoPACC)'s liquid net assets consist of cash held in designated accounts with banks operating in Jordan, where these funds are readily available for use to mitigate potential losses when needed. • JoPACC has diversified its cash holdings across three banks operating in Jordan.
15.5 An FMI should maintain a viable plan for raising additional equity should its equity fall close to or below the amount needed. This plan should be approved by the board of directors and updated regularly.	• Jordan Payments and Clearing Company (JoPACC) has a set of tools that can be used to raise additional capital if current projected levels fall below the required amount. These will be incorporated into the recovery plan to be developed in 2026, which will be reviewed and updated every two years. • The Board of Directors of JoPACC must approve the minimum level of equity to be maintained on an ongoing basis, as well as the recovery plan to be developed in 2026.

Principle 16 – Custody and Investment Risks

Assessment	Not Directly Applicable
Applicability	**Partly Observed** This principle applies to the integrated approach adopted by Jordan Payments and Clearing Company (JoPACC) in managing custody and investment risks, as well as to the management of custody risks related to participants' cash collateral. Since JoPACC does not hold any participant assets, a single consolidated assessment has been adopted.
Summary	
An FMI should safeguard its own and its participants' assets and minimise the risk of loss on and delay in access to these assets. An	Jordan Payments and Clearing Company (JoPACC) does not hold any participant assets, as the cash collateral of settlement participants is held in central bank money within the Real-Time Gross

FMI's investments should be in instruments with minimal credit, market, and liquidity risks.	Settlement (RTGS) system at the Central Bank of Jordan. Assets of non-settlement participants are held with the participants that settle on their behalf. However, JoPACC safeguards its own cash assets by depositing them with banks operating in Jordan. With respect to investments, JoPACC currently does not invest in any financial instruments other than cash deposits held with its banks, as part of managing and optimizing the use of its cash assets.
Key Considerations	**JoPACC's Explanations**
16.1 An FMI should hold its own and its participants' assets at supervised and regulated entities that have robust accounting practices, safekeeping procedures, and internal controls that fully protect these assets.	**JoPACC's Assets** As outlined in Principle 4, the financial resources of Jordan Payments and Clearing Company (JoPACC) are held in the form of cash deposits with banks operating in Jordan, in order to mitigate potential losses. **Participants' Assets** JoPACC does not hold any participant assets. Cash and other financial assets of settlement participants are held in accounts at the Central Bank of Jordan within the Real-Time Gross Settlement (RTGS) system and the DEPO/X system. Assets of non-settlement participants are held with the participants that settle on their behalf.
16.2 An FMI should have prompt access to its assets and the assets provided by participants, when required.	**JoPACC's Assets** There are established contractual agreements governing Jordan Payments and Clearing Company (JoPACC)'s accounts with banks operating in Jordan. JoPACC has immediate access to all assets held in its cash accounts, and access to these accounts is restricted to authorized officers/ signatories only. **Participants' Assets** • JoPACC does not hold any participant assets. Cash collateral of settlement participants is held in accounts at the Central Bank of Jordan within the Real-Time Gross Settlement (RTGS) system, while assets of non-settlement participants are held with the participants that settle on their behalf. • The nature and timing of access to settlement participants' assets held for prefunding

	purposes in the three payment systems are governed by the contractual arrangements and rules established by the Central Bank of Jordan.
16.3 An FMI should evaluate and understand its exposures to its custodian banks, taking into account the full scope of its relationships with each.	**JoPACC's Assets** The cash accounts of Jordan Payments and Clearing Company (JoPACC) are distributed across three banks operating in Jordan, as part of managing financial exposures and mitigating concentration risk. **Participants' Assets** JoPACC does not hold any participant assets. Cash collateral of settlement participants is held in accounts at the Central Bank of Jordan within the Real-Time Gross Settlement (RTGS) system, while cash assets of non-settlement participants are held with the participants that settle on their behalf.
16.4 An FMI's investment strategy should be consistent with its overall risk-management strategy and fully disclosed to its participants, and investments should be secured by, or be claims on, high-quality obligors. These investments should allow for quick liquidation with little, if any, adverse price effect.	The financial resources of Jordan Payments and Clearing Company (JoPACC) are held in the form of cash deposits with banks operating in Jordan in order to mitigate potential business losses.

Principle 17 – Operational Risk

Assessment	Observed
Applicability	**Observed** This principle applies to operational risks at the level of Jordan Payments and Clearing Company (JoPACC) as a whole. Accordingly, JoPACC has adopted flexible procedures to ensure effective response to risks, while maintaining operational reliability and business continuity.
	Summary
An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems	Jordan Payments and Clearing Company (JoPACC) has established an operational risk management approach that defines the methodology for identifying, managing, and mitigating operational risks. JoPACC has also adopted flexible procedures to ensure effective response to risks, while

should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfilment of the FMI's obligations, including in the event of a wide-scale or major disruption.	maintaining operational reliability and business continuity.
Key Considerations	**JoPACC's Explanations**
17.1 An FMI should establish a robust operational risk-management framework with appropriate systems, policies, procedures, and controls to identify, monitor, and manage operational risks.	• The Board of Directors of Jordan Payments and Clearing Company (JoPACC) has approved a risk management framework and policy, which is reviewed every two years and incorporates an integrated risk management methodology and process. The risk assessment process covers the following stages: risk identification, risk analysis, risk evaluation, risk treatment, monitoring and review, as well as documentation and reporting. • JoPACC has identified operational risk as one of the key risk categories applicable to its services and activities. • JoPACC maintains an appropriate risk management framework and policy, including the necessary policies and methodologies to manage such risks. • JoPACC has adopted a Risk Appetite document that defines the principles governing acceptable levels of risk and promotes awareness of acceptable and unacceptable practices. This document is reviewed annually. • JoPACC defines operational risk as risks that may affect business continuity and operations. Risk owners and controls have been identified to ensure appropriate management of these risks. Controls are reviewed and their effectiveness validated on a periodic basis. In addition, risk owners are required to report any incidents within their area of responsibility to the Risk Management Department, including a description of the incident and all relevant details.

	• JoPACC maintains a risk register for each function within the company, as well as for each critical service within its scope.
	• JoPACC monitors and manages risks in line with the business continuity plan for each system it operates. All risks are managed in accordance with the risk assessment methodology and the Risk Appetite document.
	• JoPACC has taken into consideration, among other elements, the following components within its risk management framework:
	  • Risk Management Framework and Policy
	  • Risk Appetite document
	  • Business Continuity Management (BCM) Policy
	  • Business Continuity Plans (a dedicated plan for each critical system)
	• JoPACC has established its risk management framework based on regulations issued by the Central Bank of Jordan, as well as—where appropriate—aligned with ISO 31000, the COSO framework, and the guidelines of the Principles for Financial Market Infrastructures (PFMI) issued by the Bank for International Settlements (BIS). This framework aims to ensure the existence of effective systems and controls that enable JoPACC to identify, measure, monitor, manage, and report risks arising from its operations, activities, and supporting business functions.

17.2 An FMI's board of directors should clearly define the roles and responsibilities for addressing operational risk and should endorse the FMI's operational risk management framework. Systems, operational policies, procedures, and controls should be reviewed, audited, and tested periodically and after significant changes.	The roles and responsibilities related to operational risk management are clearly defined within the risk management framework and policy approved by the Board of Directors of Jordan Payments and Clearing Company (JoPACC), as follows: • The Board of Directors oversees risk management across JoPACC. The Board has also established a Compliance and Risk Management Committee to monitor risk management processes, practices, and related policies. • The risk management framework and policy are reviewed every two years, or as needed, by the Compliance and Risk Management Committee, which submits any proposed

	amendments to the Board of Directors for approval. • The internal audit function conducts audits of risk management processes across JoPACC and provides independent assurance on the effectiveness of risk management.
17.3 An FMI should have clearly defined operational reliability objectives and should have policies in place that are designed to achieve those objectives.	Jordan Payments and Clearing Company (JoPACC) aims to deliver highly reliable services to participants. Reliability and operational availability objectives are clearly defined in the system rulebooks (operating rules) and/or system operating agreements for the various payment systems managed by JoPACC, in addition to the business continuity plans for critical systems. These documents also outline JoPACC's responsibilities as a system operator to ensure a high level of system reliability, including Service Level Agreements (SLAs) governing the operation of critical systems. JoPACC's business continuity plans include operational reliability objectives such as: • Recovery Time Objective (RTO) • Recovery Point Objective (RPO) In addition, JoPACC implements cybersecurity policies to ensure the reliability of its systems and infrastructure. It also engages trusted third parties on an annual basis to conduct vulnerability assessments and penetration testing, as well as following any major system updates.
17.4 An FMI should ensure that it has scalable capacity adequate to handle increasing stress volumes and to achieve its service-level objectives.	Regular stress testing and scenario analysis are conducted by Jordan Payments and Clearing Company (JoPACC) to ensure the continuity of its operations and critical services. JoPACC also performs performance testing and stress testing on its payment systems to assess their stability and operational efficiency during peak periods. The systems' ability to successfully process payments is measured, and success rates during peak demand are compared with normal operating periods. This aims to ensure that service level objectives are met and that the systems can handle sudden increases in transaction volumes.
17.5	The Board of Directors of Jordan Payments and Clearing Company (JoPACC) has approved

An FMI should have comprehensive physical and information security policies that address all potential vulnerabilities and threats.	comprehensive information security policies that address potential vulnerabilities and threats faced by the company. These policies are reviewed annually and also include a physical security policy.
17.6 An FMI should have a business continuity plan that addresses events posing a significant risk of disrupting operations, including events that could cause a widescale or major disruption. The plan should incorporate the use of a secondary site and should be designed to ensure that critical information technology (IT) systems can resume operations within two hours following disruptive events. The plan should be designed to enable the FMI to complete settlement by the end of the day of the disruption, even in case of extreme circumstances. The FMI should regularly test these arrangements.	• Jordan Payments and Clearing Company (JoPACC) has developed a Business Continuity Management (BCM) policy and plans to ensure the continuity or rapid recovery of critical functions and services during crises, in line with predefined continuity and recovery targets. • JoPACC has established both a primary site and disaster recovery (DR) sites for its systems. At the primary site, all components are designed using High Availability (HA) redundancy to ensure maximum system readiness and minimize the likelihood of switching to the DR site. • JoPACC has defined all necessary procedures for transitioning between the primary site and the disaster recovery site, including clearly assigned responsibilities and estimated timelines for each action. • JoPACC conducts disaster recovery testing for critical systems at least once annually, in coordination with all participants, to ensure the readiness of the DR site, and additionally when needed. • JoPACC has defined a Recovery Time Objective (RTO) of no more than two hours, except in cases where both the primary and disaster recovery sites are unavailable or inaccessible. A Recovery Point Objective (RPO) has also been established within its plans to ensure data recovery within acceptable time thresholds.
17.7 An FMI should identify, monitor, and manage the risks that key participants, other FMIs, and service and utility providers might pose to its operations. In addition, an FMI should identify, monitor, and manage the risks its operations might pose to other FMIs.	Jordan Payments and Clearing Company (JoPACC) identifies, monitors, and manages key risks that may arise from participants and other entities, as well as the risks it may pose to them. JoPACC also ensures that all contractual agreements with vendors and service providers include Service Level Agreements (SLAs) that support the continuity and efficiency of operations.

Principle 18 – Access and Participation Requirements

Assessment	Observed
Applicability	**Observed** This principle applies to Jordan Payments and Clearing Company (JoPACC) as a licensed operator of electronic payment systems, providing services for the management and operation of such systems. Accordingly, it is required to establish access and participation requirements for the systems it operates.
Summary	
An FMI should have objective, risk-based, and publicly disclosed criteria for participation, which permit fair and open access.	Jordan Payments and Clearing Company (JoPACC) has published on its website a document outlining the criteria and assessment methodology for onboarding new participants to the payment systems it operates, tailored to the nature and operational characteristics of each system. JoPACC adopts a risk-based approach as a key assessment criterion to maintain the safety, security, and efficiency of payment systems, while ensuring fair and open access without compromising the integrity of the payment ecosystem in Jordan. The criteria and assessment methodology are reviewed periodically in line with market requirements.
Key Considerations	**JoPACC's Explanations**
18.1 An FMI should allow for fair and open access to its services, including by direct and, where relevant, indirect participants and other FMIs, based on reasonable risk related participation requirements.	The criteria and assessment methodology for onboarding new participants to the payment systems operated by Jordan Payments and Clearing Company (JoPACC) are primarily based on balancing fair and open access with the risks associated with granting direct participation, in a manner that preserves the integrity of the payment ecosystem in Jordan. Indirect access to the systems depends on the technical and operational capabilities of each system and its nature, while ensuring that participants retain the ability to offer system services to their customers, without compromising security, safety, and efficiency.
18.2 An FMI's participation requirements should be justified in terms of the	Access criteria and the assessment methodology are based on multiple factors to determine the level of risk—not only to the systems, but also to

safety and efficiency of the FMI and the markets it serves, be tailored to and commensurate with the FMI's specific risks, and be publicly disclosed. Subject to maintaining acceptable risk control standards, an FMI should endeavour to set requirements that have the least-restrictive impact on access that circumstances permit.	existing participants and the integrity of the payment ecosystem in Jordan. Direct access to payment systems is therefore limited to entities that maintain an ongoing contractual relationship with their customers, with no provision for ad hoc or occasional customers. Below are the core access criteria for each system, noting that Jordan Payments and Clearing Company (JoPACC) reserves the right to define or amend requirements in line with technical and operational capabilities to ensure system efficiency: **Electronic Cheques Clearing System (ECC):** Membership is restricted to banks operating in the Kingdom. Only banks are permitted to connect to the system, and they are admitted as direct clearing and settlement participants. If a new bank is licensed by the Central Bank of Jordan, it is connected to the system upon formal request by the Central Bank and launched into the production environment after meeting all system operator requirements. **Automated Clearing House (ACH):** Direct participation is limited to banks, which are onboarded as direct settlement participants. Newly licensed banks are connected following formal request from the Central Bank of Jordan and after fulfilling all system operator requirements. **Instant Payment System (CliQ and JoMoPay):** Direct participation is limited to banking and non-banking financial institutions as follows: I. **Banks operating in the Kingdom:** Connected as direct settlement participants to link their customers' accounts (regardless of account type or banking product), excluding Electronic Bill Presentment and Payment (EBPP) services. II. **Mobile Payment Service Providers:** Connected as direct non-settlement participants for linking customer wallets, enabling transfers, purchases, and withdrawals. Their participation cannot be used for bill presentment and payment or prepaid card services.

III. **Merchant Acquirers:**

Connected as direct non-settlement participants strictly for merchant acquiring activities (POS, QR payments, and e-commerce) and for settling merchant funds. Their participation cannot be used for other purposes (such as prepaid card services or bill payments) unless prior approval is obtained from the Central Bank of Jordan and the system operator.

Requests for indirect participation are assessed based on the system operator's methodology and the company's approved risk management policies.

If the Central Bank of Jordan licenses any new banking or financial institution within the above categories (with final approval and formal licensing), the institution is connected to the system upon formal request by the Central Bank and launched into the production environment after fulfilling all system operator requirements.

For all three systems, the following conditions apply:

1. The direct participant must be a licensed financial or banking institution approved by the Central Bank of Jordan.
2. Direct settlement participants must transact in the currencies supported by the systems and comply with RTGS requirements and authorizations related to clearing and fee settlements.
3. Direct participants must meet minimum operational and technical standards (MOTS) for 24/7 connectivity, including network integration, availability, and disaster recovery capabilities.
4. Non-settlement participants must maintain a contractual relationship with their designated settlement participant for settling system transactions, in accordance with regulations issued by the Central Bank of Jordan.

18.3 An FMI should monitor compliance with its participation requirements on an ongoing basis and have clearly defined and publicly disclosed procedures for facilitating the suspension and orderly exit of a participant that breaches, or no longer meets, the participation requirements.	• All participants are required to comply with the operating rules (system rulebooks) and the technical and operational requirements of each system, which are communicated through various channels and meetings. The system rulebooks also define the cases in which the system operator—Jordan Payments and Clearing Company (JoPACC)—may suspend a participant's membership. In addition, the procedures of the three systems include clearly defined steps for the orderly exit or withdrawal of any participant, in coordination with the Central Bank of Jordan. • Compliance is monitored based on a risk-based approach, taking into account the potential impact on other participants and the overall efficiency of the system.

Principle 19 – Tiered Participation Arrangements

Assessment	Observed
Applicability	**Observed** This principle applies to Jordan Payments and Clearing Company (JoPACC) as a licensed operator of electronic payment systems, providing services for the management and operation of such systems. Accordingly, it is required to establish access and participation requirements for the systems it operates, which may allow for tiered participation arrangements depending on the nature of each system and its technical and operational capabilities.
	Summary
An FMI should identify, monitor, and manage the material risks to the FMI arising from tiered participation arrangements.	The access and connectivity criteria for payment systems, as well as the participant assessment methodology, apply to both direct and indirect participants and are based on a risk-based approach, taking into account the impact on the system, its participants, and the payment ecosystem in Jordan. This arrangement applies primarily to the Instant Payment System, where indirect access is allowed through a direct participant. There is also limited provision for indirect access to the Automated Clearing House (ACH) and the

	Electronic Cheques Clearing System, exclusively for banks that are unable to connect directly, subject to approval from the Central Bank of Jordan.
Key Considerations	**JoPACC's Explanations**
19.1 An FMI should ensure that its rules, procedures, and agreements allow it to gather basic information about indirect participation in order to identify, monitor, and manage any material risks to the FMI arising from such tiered participation arrangements.	According to the access and participation criteria, assessment methodology, and participation arrangements, Jordan Payments and Clearing Company (JoPACC) maintains full information on indirect participants to conduct risk-based assessments. Transaction data includes all parties involved in each transfer, ensuring the integrity of financial transactions and enabling JoPACC to obtain accurate data on transaction volumes, values, and types. This allows for the identification of any potential risks arising from indirect participation arrangements that may affect the system or its participants. In addition, the mechanisms currently in place for setting, adjusting, monitoring, and generating alerts related to participants' debit caps help mitigate potential liquidity and settlement risks, with particular attention given to settlement banks of indirect participants, which may be more exposed to material risks and liquidity pressures. Furthermore, the roles and responsibilities defined in the access and participation criteria and assessment methodology, together with the functional testing conducted with participants, help mitigate any operational risks that may arise from tiered participation arrangements within the system or among its participants.
19.2 An FMI should identify material dependencies between direct and indirect participants that might affect the FMI.	The access and participation criteria and the assessment methodology define the relationship between direct and indirect participants, specifying the roles and responsibilities of each at the system level and in relation to the system operator and other participants.
19.3 An FMI should identify indirect participants responsible for a significant proportion of transactions processed by the FMI	Refer to Key Considerations 19.1 and 19.2.

and indirect participants whose transaction volumes or values are large relative to the capacity of the direct participants through which they access the FMI in order to manage the risks arising from these transactions.	

Principle 21 – Efficiency and Effectiveness

Assessment	Observed
Applicability	**Observed** This principle applies to Jordan Payments and Clearing Company (JoPACC) as an entity that seeks to achieve efficiency and effectiveness in meeting the needs of participants in the financial sector it supports.
Summary	
An FMI should be efficient and effective in meeting the requirements of its participants and the markets it serves.	Jordan Payments and Clearing Company (JoPACC) strives for efficiency and effectiveness in meeting the needs of participants in the financial sector it supports. JoPACC has designed its objectives and established relationships with stakeholders to ensure its ability to meet the needs of sector participants in an efficient and effective manner. The company's mission—"to ensure that digital financial services in the Kingdom are secure, efficient, interoperable, accessible, and aligned with international standards"—clearly and transparently reflects its commitment to providing safe and efficient payment services.
Key Considerations	**JoPACC's Explanations**
21.1 An FMI should be designed to meet the needs of its participants and the markets it serves, in particular, with regard to choice of a clearing and settlement arrangement; operating structure; scope of products cleared, settled, or recorded; and use of technology and procedures.	Jordan Payments and Clearing Company (JoPACC) actively seeks participants' feedback and input and takes actions based on it regarding new services, settlement session timings, payment system reports, operating rules (system rulebooks), system updates, and other matters affecting participants. This is done to ensure that JoPACC delivers its services in the best possible way to support participants. Communication and structured feedback are achieved through email correspondence,

	meetings, working groups, surveys, as well as internal service evaluations and reviews, in alignment with market needs.
21.2 An FMI should have clearly defined goals and objectives that are measurable and achievable, such as in the areas of minimum service levels, risk-management expectations, and business priorities.	Refer to Key Consideration 2.1.
21.3 An FMI should have established mechanisms for the regular review of its efficiency and effectiveness.	The General Assembly, the Board of Directors, and the committees emanating from the Board conduct periodic reviews of the effectiveness of Jordan Payments and Clearing Company (JoPACC)'s performance.

Principle 22 – Communication Procedures and Standards

Assessment	Observed
Applicability	**Observed** This principle applies to Jordan Payments and Clearing Company (JoPACC) as a licensed operator of electronic payment systems, providing services for the management and operation of such systems. Accordingly, it is required to establish standardized and well-defined technical and operational communication standards for each system.
Summary	
An FMI should use, or at a minimum accommodate, relevant internationally accepted communication procedures and standards in order to facilitate efficient payment, clearing, settlement, and recording.	The three payment systems utilize secure and standardized communication protocols to ensure the integrity of payments and to enhance the efficiency and security of clearing, processing, and settlement operations through the Real-Time Gross Settlement (RTGS) system.
Key Considerations	**JoPACC's Explanations**
22.1 An FMI should use, or at a minimum accommodate, internationally accepted communication procedures and standards.	The ISO 20022 message schemes standard is used in operating two of Jordan Payments and Clearing Company (JoPACC)'s systems (ACH and IPS), which standardizes and harmonizes the way direct participants communicate and exchange

	information. These systems also utilize ISO standard purpose codes for transfers, enabling effective statistical and analytical processing. The Electronic Cheques Clearing (ECC) system has also used a secure and standardized format for exchanging payment and cheque information among direct participants since 2007.

Principle 23 – Disclosure of Rules and Key Procedures

Assessment	Observed
Applicability	**Observed** This principle applies to Jordan Payments and Clearing Company (JoPACC) as a licensed operator of electronic payment systems, providing services for the management and operation of such systems. Accordingly, it is required to communicate with participants and disclose information that may affect them.
Summary	
An FMI should have clear and comprehensive rules and procedures and should provide sufficient information to enable participants to have an accurate understanding of the risks, fees, and other material costs they incur by participating in the FMI. All relevant rules and key procedures should be publicly disclosed.	Jordan Payments and Clearing Company (JoPACC) maintains clear and comprehensive rules, fee schedules, and penalty structures for the three payment systems, all of which are fully disclosed to participants.
Key Considerations	**JoPACC's Explanations**
23.1 An FMI should adopt clear and comprehensive rules and procedures that are fully disclosed to participants. Relevant rules and key procedures should also be publicly disclosed.	Jordan Payments and Clearing Company (JoPACC) fully discloses the operating rules (system rulebooks), procedures, and any related documentation for the three payment systems. All participants have access to these rules. JoPACC has also published the access and participation criteria for the three systems on its website. Participants, in turn, are responsible for disclosing relevant information to their customers.
23.2 An FMI should disclose clear descriptions of the system's design	All participants have access to all rules, procedures, and operational documentation that define their rights and obligations. Participants in the three

and operations, as well as the FMI's and participants' rights and obligations, so that participants can assess the risks they would incur by participating in the FMI.	payment systems are also notified of any changes to these rules and procedures.
23.3 An FMI should provide all necessary and appropriate documentation and training to facilitate participants' understanding of the FMI's rules and procedures and the risks they face from participating in the FMI.	Jordan Payments and Clearing Company (JoPACC) provides the necessary training and guidance to all participants as needed. New participants, as well as staff from existing participants, engage with JoPACC to fulfill any required onboarding and operational requirements. In addition, JoPACC conducts testing and provides test scenarios to ensure participants' readiness to operate within the financial market infrastructure and its services, and to mitigate any risks they may face.
23.4 An FMI should publicly disclose its fees at the level of individual services it offers as well as its policies on any available discounts. The FMI should provide clear descriptions of priced services for comparability purposes.	The access and participation criteria of Jordan Payments and Clearing Company (JoPACC) disclose the costs associated with participation in its systems. In addition, JoPACC shares fee schedules and penalty structures with all participants across the three systems. Participants, in turn, publicly disclose fee-related information to their customers.
23.5 An FMI should complete regularly and publicly disclose responses to the CPMI-IOSCO Disclosure Framework for financial market infrastructures. An FMI also should, at a minimum, disclose basic data on transaction volumes and values.	Jordan Payments and Clearing Company (JoPACC) discloses transaction volumes and values on its website on a monthly, quarterly, and annual basis. JoPACC also publishes its self-assessment against the Principles for Financial Market Infrastructures (PFMIs) on its website.