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**Welcome to the Depository-  
Information Gathering Project.**

Before beginning, we suggest that you print the entire document for review on paper and review the Glossary of Terms. Each will assist you with answering the questions. For help, contact: Robin D. Truesdale, Baker & McKenzie LLP (202) 835-1664; e-mail: [Robin.Truesdale@bakermckenzie.com](mailto:Robin.Truesdale@bakermckenzie.com).

Note

**\* When reviewing/updating your prior year's responses in the questionnaire, please ensure that the sub-questions are reviewed/updated as well.**

**\* Please deselect/uncheck any responses in the sub-questions where those responses are no longer applicable.**

**\* Please note: Any text in the "other" and/or "please explain/describe" questions should be deleted before deselecting the response. In this regard, note that deselecting a response with written text does not delete the information, it only hides the information from view.**

**\* Any responses that appear in open text boxes should be deleted if the information is no longer applicable.**

SCOPE, STRUCTURE, OWNERSHIP, CAPITAL, REGULATION AND AUDIT

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*The purpose of this section is to understand the ownership structure and financial strength of your institution, as well as the level of regulatory and operational supervision to which it is subject.*

**Response Necessary/Eligibility Question**

**1. Rule 17f-7, by reference to Rule 17f-4, requires that, for a depository to be eligible to hold securities of U.S. registered investment companies (such depositories hereinafter referred to as "Eligible Securities Depositories"), the depository must be a "system for the central handling of securities where all securities of any particular class or series of any issuer deposited within the system are treated as fungible and may be transferred or pledged by bookkeeping entry without physical delivery of the securities."**

**Are all securities of a particular class or series of any issuer that are deposited in your institution treated as fungible, and can they be transferred or pledged by bookkeeping entry without physical delivery of the securities?**

Yes

**1a. Please explain:**

**Response Necessary/Eligibility Question**

**2. Rule 17f-7 also requires that an Eligible Securities Depository "acts as or operates a system for the central handling of securities or equivalent book-entries in the country where it is incorporated," or "acts as or operates a transnational system for the central handling of securities or equivalent book-entries."**

**Does your institution: (Choose all that apply.)**

Act as or operate a system for the central handling of securities or equivalent book-entries in the country where it is incorporated? (please answer 2b)

**2a. Please explain:**

**2b. Please specify the types of securities for which you act as or operate a system for the central handling of securities or equivalent book-entries:**

Shares, subscription rights, corporate bonds, and Islamic Sukuk.

**3. What type of legal entity is the institution? (Choose all that apply.)**

Other (please answer 3a)

**3a. Please explain:**

The Securities Depository Center (SDC) is a public utility institution, founded by virtue of Securities Law where it is not owned by any entity.

**4. Is the institution operated as a "for profit" or a "not for profit" organization?**

Not for profit

**4a. If other, please explain:**

**5. Please provide the names of the owners and their ownership interest percentages.**

The SDC has a unique situation in that it does not have any share capital and does not have an ownership structure.

**6. Please answer the following:**

**6a. What is the date of establishment of the depository?**

10/May/1999

**6b. What is the date that the depository's operations began?**

10/May/1999

**7. Under what regulation or statute is the depository established and governed?**

The SDC was established in the Kingdom by virtue of the Securities Law No (23) of 1997 and is governed by virtue of the Securities Law No (76) for the Year 2002 in addition to Instructions and internal By-Laws that the JSC approved which govern all SDC's operations and tasks.

**7a. Is the regulation or statute electronically available?**

Yes (please answer 7b)

**7b. If regulation or statute is electronically available, please supply web address(es) here or upload document(s) in question 7c.**

[http://www.sdc.com.jo/english/index.php?option=com\\_content&task=view&id=30&Itemid=390](http://www.sdc.com.jo/english/index.php?option=com_content&task=view&id=30&Itemid=390)

**7c. Please supply document(s) here:**

**7d. Please provide details of the structure and composition of your Board together with their industry experience and responsibilities in governing the depository.**

**What are the qualifications to become a board member?**

The SDC's board of directors consists of seven members. Four members of the board of directors are elected by the General Assembly of the SDC representing Brokers, Custodians, Public Shareholding Companies and three members are appointed by the JSC. The Member shall be represented in the Board of Directors by a natural person who must meet the following conditions: 1. Have the required conditions to represent the Member in the General Assembly's

meetings. 2. Enjoy full legal capacity. 3. Be at least thirty years old. 4. Have the first university degree at least. 5. Have not been convicted of any crime, misdemeanor, punitive penalty involving moral or trust, or his service in any post has been ended or terminated for such reasons. The Board may take all necessary measures to ensure the fulfillment of this condition and its resolution in this regard is considered final.

#### **7e. What are the election procedures?**

The board members are elected by the General Assembly in their ordinary meeting: 1. The nomination for the membership of the Board of Directors shall be in the name of the Member. 2. The nomination for the membership of the Board of Directors shall be opened before fifteen days from the date of the General Assembly's meeting specified for the elections and the nomination shall be closed a week before that date. 3. Each Member who wishes to be nominated for the Board of Directors' membership shall fill the SDC's nomination form and return it to the Board of Directors at least seven days before the General Assembly's meeting. The form is to be signed by the authorized signatory of the Member. 4. Each Member which presents its nomination and wishes to withdraw it shall notify the chairman of the Board of Directors in writing. 5. The chairman of the Board of Directors shall distribute a list of the member candidates to the Members before three days at least from the date of the General Assembly's meeting. 6. The ballot paper shall be divided into two lists, the voter shall name in one of them two candidates at the most to represent the Broker and Custodian and in the other list, the voter shall name two candidates at the most to represent the rest of the SDC's Members who are not licensed as Brokers, Dealers or Custodians. 7. The ballot paper which contains more names than the number of seats of the Board of Directors shall be cancelled. 8. The candidates who obtain the highest votes in each category shall be considered the elected member of the Board of Directors, if more than one candidate of the same category obtains the same numbers of votes, re-election is carried out between those members and if the number of votes is the same in the second time, then a lot shall be cast between them.

#### **7f. What is the maximum length of time a board member can serve?**

The term of the Board of Directors shall be three years. No member shall be elected or designate for more than two consecutive terms.

#### **7g. How are the voting powers distributed amongst the board members (i.e. does each board member have one vote or do certain members have additional voting power)?**

The resolutions of the Board of Directors are taken by the majority of the members present and if the votes are equal, the side with which the chairman of the meeting votes shall prevail.

#### **7h. Who is responsible for regulating the board members?**

As the Internal SDC Bylaws states, the chairman and members of the Board of Directors shall be responsible for every violation committed by the Board of Directors to the legislations in force, however, the JSC's board of commissioners may review the decisions issued by the board members to ensure their consistency with the provisions of this Law and the regulations, instructions and decisions issued pursuant thereto, and to make the appropriate decisions thereon.

#### **Response Necessary/Eligibility Question**

**8. Rule 17f-7 requires that an Eligible Securities Depository "is regulated by a foreign financial regulatory authority as defined under section 2(a)(50) of the Act", with section 2(a)(50) establishing that "foreign financial regulatory authority" means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate the participation of its members in activities listed above."**

**Who regulates the activities of the depository? (Choose all that apply.)**

A governmental body or regulatory organization empowered to administer or enforce laws related to securities matters.

**8a. Please explain:**

**9. Please provide the name of regulatory authority(ies) identified in question 8:**

Jordan Securities Commission (JSC)

#### **Response Necessary/Eligibility Question**

**10. Rule 17f-7 requires that an Eligible Securities Depository "is subject to periodic examination by regulatory authorities or independent accountants."**

**Is the depository subject to periodic examination by: (Choose all that apply.)**

Regulatory authorities?, Independent accountants?

**10a. Please explain:**

**11. What enforcement actions are available to the regulatory authority(ies) for breach of applicable statute or regulatory requirements? (Choose all that apply.)**

**Name of Authority #1 (please answer 11a):**

JSC

**11a.**

Other (please answer 11b)

**11b. Please explain:**

The SDC is an institution established by virtue of the Securities Law and performs its responsibilities in accordance with the Securities Law. All the by-laws and instructions of the SDC are approved by the JSC before becoming effective.

**Name of Authority #2 (please answer 11c):**

N/A

**11c.**

**11d. Please explain:**

**12. Has there been any use of such enforcement actions in the last three years?**

No

**12a. If yes or other, please explain:**

**Capital**

**13. Are annual financial statements publicly disclosed?**

Yes (please answer 13a)

**13a. If yes, the AGC requests a copy of the institution's annual report. Is the annual report available electronically?**

Yes (please answer 13b)

**13b. If yes, please upload the document(s) here or insert web link(s) in question 13d:**

**13c. If more than one document for 13b, please upload the additional document here:**

**13d. Please insert web link(s) for 13b here:**

[http://www.sdc.com.jo/english/index.php?option=com\\_content&task=view&id=98&Itemid=67](http://www.sdc.com.jo/english/index.php?option=com_content&task=view&id=98&Itemid=67)

**13e. If no, and annual report and/or financial statements are not disclosed, please state your share capital, reserves, and retained earnings (or equivalents as determined under local accounting standards).**

**Share Capital (then please answer 13f):**

**13f. Reserves (then please answer 13g):**

**13g. Retained Earnings:**

**13h. If other, please explain:**

**Internal Audit**

**14. Is an internal audit undertaken in your depository?**

Yes (please answer 14a)

**14a. If yes, what areas does the audit cover (financials, operations, etc.) and which department in your depository handles it?**

Administrative, financial, and technical audits are to be carried out by the SDC Internal Audit Department.

**14b. Please list the date of your last internal audit:**

15/Jul/2016

**Please list the period that the audit covered:**

01/Jan/2016

**to**

30/Jun/2016

**14c. How frequently does the internal audit occur? (Choose one.)**

Two or more times a year (please answer 14e)

**14d. If less than annually, please explain:**

**14e. Are the results of the internal audit publicly available?**

No

**14f. Please select the statement that most accurately characterizes the results of the last internal audit: (Choose one.)**

No material exceptions found.

**14g. If minor or material exceptions were found, what actions were taken? Please describe:**

The internal audit is performed quarterly where the last on 30/9/2010 audit covered the period from 1/6/2010 till 30/9/2010

**15. Is a financial audit performed by an Audit Firm, Regulatory Authority, or other external party?**

Yes (please answer 15a)

**15a. If yes, please state the name(s) of the entity(ies) who perform the financial audit.**

Talal Abu-Ghazaleh company.

**15b. Please list the date of your last financial audit performed by an Audit Firm, Regulatory Authority, or other external party:**

15/Jul/2016

**15c. Please list the period that the audit covered:**

01/Jan/2016

to

30/Jun/2016

**15d. How frequently does the financial audit occur? (Choose one.)**

Two or more times a year (please answer 15f)

**15e. If less than annually, please explain:**

**15f. Are the results of the financial audit publicly available?**

Yes

**15g. Please select the statement that most accurately characterizes the results of the last financial audit: (Choose one.)**

No material exceptions found.

**15h. If minor or material exceptions were found, what actions were taken? Please describe:**

**16. Is an operational audit performed by an Audit Firm, Regulatory Authority, or other external party?**

Yes (please answer 16a)

**16a. If yes, please state the name(s) of the entity(ies) who perform the operational audit.**

The JSC can perform operational audits on daily basis through (SCORPIO)'s electronic surveillance system that the SDC provided to JSC. Additionally, the JSC and any third party performs operational audits upon request.

**16b. Please list the date of your last operational audit performed by an Audit Firm, Regulatory Authority, or other external party:**

**16c. Please list the period that the audit covered:**

to

**16d. How frequently does the operational audit occur? (Choose one.)**

Two or more times a year (please answer 16f)

**16e. If less than annually, please explain:**

**16f. Are the results of the operational audit publicly available?**

No

**16g. Please select the statement that most accurately characterizes the results of the last operational audit: (Choose one.)**

No material exceptions found.

**16h. If minor or material exceptions were found, what actions were taken? Please describe:**

**PARTICIPANTS AND PARTICIPATION**

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*The purpose of this section is to understand issues relating to participation in the depository, including eligibility requirements, conditions of participation, and supervision of participants.*

**17. What types of entities are eligible to become participants and how many of each type are there currently? (Choose all that apply.)**

Banks (please answer 17a), Brokers (please answer 17e), Other entities (please answer 17q)

**17a. How many Bank participants are there currently? (then please answer 17b)**

16

**17b. Please select the features included in the eligibility requirements for Banks. (Choose all that apply.)**

Financial Thresholds (please answer 17c), Regulatory Oversight (please answer 17c)

**17c. Where can a description of the specific eligibility requirements for Bank participants be found?**

Central Bank of Jordan ([www.cbj.gov.jo](http://www.cbj.gov.jo))/Banking Law. SDC also publishes Banking Law at the following Link: [http://www.sdc.com.jo/english/index.php?option=com\\_content&task=view&id=279](http://www.sdc.com.jo/english/index.php?option=com_content&task=view&id=279)

**17d. Please explain:**

**17e. How many Broker participants are there currently? (then please answer 17f)**

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**17f. Please select the features included in the eligibility requirements for Brokers. (Choose all that apply.)**

Financial Thresholds (please answer 17g), Regulatory Oversight (please answer 17g)

**17g. Where can a description of the specific eligibility requirements for Broker participants be found?**

JSC Licensing Instructions([www.jsc.gov.jo](http://www.jsc.gov.jo))

**17h. If other, please explain:**

**17i. How many Individual participants are there currently? (then please answer 17j)**

**17j. Please select the features included in the eligibility requirements for Individual participants. (Choose all that apply.)**

**17k. Where can a description of the specific eligibility requirements for Individual participants be found?**

**17l. If other, please explain:**

**17m. How many Foreign Institution participants are there currently?**

**17n. Please select the features included in the eligibility requirements for Foreign Institution participants. (Choose all that apply.)**

**17o. Where can a description of the specific eligibility requirements for Foreign Institution participants be found?**

**17p. If other, please explain:**

**17q. If you have selected "Other entities" above, please explain:**

Public Shareholding Companies as issuers of securities, Custodians and any other entity determined by the Board of Commissioners of the JSC.

**17r. Indicate how many "Other entities" are currently participants?**

(255) Public Shareholding Companies including banks and (19) Custodians.

**17s. Please select the features included in the eligibility requirements for the participants referred to above as "Other entities". (Choose all that apply.)**

Financial Thresholds (please answer 17t), Regulatory Oversight (please answer 17t)

**17t. Where can a description of the specific eligibility requirements for participants described above as "Other entities" be found?**

Public Shareholding Companies: Ministry of Trade and Industry ([www.mit.gov.jo](http://www.mit.gov.jo)) The Jordanian Companies Law, Custodians: Jordan Securities Commission ([www.jsc.gov.jo](http://www.jsc.gov.jo)) Custodian Licensing Instructions.

**17u. If other, please explain:**

**18. Are participants required to contribute capital to the depository that would result in ownership of the depository?**

Not applicable

**18a. If yes, what fixed amount is required or what formula is used to determine the appropriate contribution level?**

**18b. If other, please explain:**

**19. Are prospective participants subject to an initial review and approval process regarding compliance with eligibility requirements?**

Yes

**19a. If other, please explain:**

**Conditions of Participation**

**20. What governs the relationship between the depository and the participants? (Choose all that apply.)**

Relevant law and regulation, Bye-laws of the depository, Rules of the depository

**20a. Please explain:**

**Response Necessary/Eligibility Question**

**21. Rule 17f-7 requires that an Eligible Securities Depository "holds assets for the custodian that participates in the system on behalf of the Fund under safekeeping conditions no less favorable than the conditions that apply to other participants."**

**Please confirm that assets of foreign investors held by custodians as participants in the depository are held under safekeeping conditions no less favorable than the conditions that apply to other participants.**

Yes (please answer 21b)

**21a. If no, other or not applicable, please explain:**

**21b. Please confirm the basis for the arrangements in place to ensure that the assets you hold for custodians receive the same level of safekeeping protection as the assets held for other categories of participants. (Choose all that apply.)**

Relevant Law and Regulation (please answer 21d), Bye-laws of the depository (please answer 21d), Rules of the depository (please answer 21d)



**21c. Please explain:**

**21d. For each item in Question 21b that you checked, please briefly supply references or citations to the law (s), regulation(s), or depository rule(s), participation condition(s), or participant contract provision(s), as applicable.**

The Securities Law: [http://www.sdc.com.jo/english/index.php?option=com\\_content&task=view&id=43&Itemid=63](http://www.sdc.com.jo/english/index.php?option=com_content&task=view&id=43&Itemid=63) The by-laws of Membership and Code of Conduct: [http://www.sdc.com.jo/english/index.php?option=com\\_content&task=view&id=102&Itemid=127](http://www.sdc.com.jo/english/index.php?option=com_content&task=view&id=102&Itemid=127) Instructions of the Registration, Deposit and Settlement of Securities: [http://www.sdc.com.jo/english/index.php?option=com\\_content&task=view&id=117&Itemid=142](http://www.sdc.com.jo/english/index.php?option=com_content&task=view&id=117&Itemid=142) These regulations indicate that: the assets (shares) held for Custodians just like all other SDC participants are held in dematerialized manner, and no differentiation occurs between Custodians and other participants on this regard. Custodian System that enables the Custodian to identify and open accounts for his clients and to view transactions conducted by Brokers upon his instructions to his clients and verifies those transactions. The Custodian shall not identify any person and establish a securities' account for him unless he: 1. is authorized in writing by its client. 2. has obtained all the identification papers necessary to identify its client and establish a securities' account for him.

**22. How does the depository notify participants of material changes to the conditions of participation? (Choose all that apply.)**

By e-mail, By public announcement

**22a. Please explain:**

### **Governance of Participants**

**23. Who enforces compliance with the depository's conditions of participation? (Choose all that apply.)**

The depository, The depository's regulator

**23a. Please explain:**

**24. What enforcement actions are available to the enforcement authority? (Choose all that apply.)**

Fines, Restrictions on participation, Suspension of participation

**24a. Please explain:**

**25. Has there been any such enforcement actions in the last three years?**

Yes (please answer 25a)

**25a. If yes, please explain, including information relative to any suspensions of depository participants:**

Enforcement measures have been imposed against participants of brokers such as fines, suspension due to violations of the SDC's legislations.

**25b. If other, please explain:**

### **DEPOSITORY FUNCTIONALITY AND SERVICES; USE OF AGENTS**

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*Certain functionalities and services reduce risk to an investor if provided in an efficient manner. The purpose of this section is to identify those functionalities that may potentially be offered by depositories and clearing systems around the world, and ascertain whether they are offered by your institution.*

### **General**

**26. For which of the following security types do you serve as a depository or clearing system? (Choose all that apply.)**

Equities, Corporate bonds, Others (please answer 26a)

**26a. Please name the other security types:**

Government Securities, Islamic sukuk, and subscription rights.

**27. Is the use of the depository in your market compulsory by law or compulsory by market practice for the settlement or safekeeping of all instrument types in your market (e.g. equities, government securities, corporate bonds, money market instruments, warrants, derivatives etc). (Choose all that apply.)**

Yes by law for settlement, but not for all instrument types (please answer 27a), Yes by law for safekeeping, but not for all instrument types (please answer 27b)

**27a. Please list the instrument types for which it is not compulsory by law to:**

**(i) settle in your depository**

By law all instruments are compulsory to be settled by the SDC.

**(ii) safekeep in your depository:**

By law all instruments are compulsory to be safekept by the SDC.

**27b. Please list the instrument types for which it is not compulsory by market practice to:**

**(i) settle in your depository**

see 27 (a)

**(ii) safekeep in your depository:**

see 27 (b)

**27c. If neither/other, please explain:**

**28. Settlement and Safekeeping Percentages**

**28a. Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) settled within your institution, exclusive of your links with third parties.**

Equities and Islamic sukuk 100%, government securities 0% (Currently, government securities are traded over-the-counter through the central bank and commercial banks and these trades are not settled by the SDC, however, the process is in progress to transfer the registers of government securities to the SDC to be safekept and settled through the SDC), corporate bonds 100% (if they are traded on the Amman stock exchange)

**28b. Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) held in safekeeping within your institution.**

Equities 100% , Islamic sukuk 100%, government securities 0% (Currently, government securities are traded over-the-counter through the central bank and commercial banks and these trades are not settled by the SDC, however, the process is in progress to transfer the registers of government securities to the SDC to be safekept and settled through the SDC), corporate bonds (Currently, the corporate bonds may be held outside the SDC, however, the process is in progress to register all corporate bonds at the SDC).

**29. Are there any activities performed by a third party on behalf of the depository for the depository participants (e.g., vaulting of physical securities, registration, entitlement processing, etc.)?**

No

**29a. If third parties are employed, please indicate which services they supply (then please answer 29b):**

**29b. If third parties are employed, does the depository assume liability for losses incurred by participants as a result of the actions/inactions of the third parties?**

**29c. If you acknowledge responsibility, please indicate whether your responsibility is assumed (Choose all that apply.)**

29d. If you acknowledge responsibility for agents, your responsibility is assumed for losses (Choose all that apply.)

29e. If other, please explain:

29f. Please specify limit:

29g. Please specify limit:

29h. If other, please explain:

29i. If other, please explain:

30. Has any participant suffered any losses in the past three years due to the depository's performance?

No

30a. If yes, please select all of the following in which loss has occurred. You will be prompted to enter the number of instances and total loss in USD thereafter. (Choose all that apply.)

30b. Corporate Action. Please specify number of instances:

30c. Corporate Action. Please specify total loss in USD:

30d. Settlement Process - Securities. Please specify number of instances:

30e. Settlement Process - Securities. Please specify total loss in USD:

30f. Settlement Process - Cash. Please specify number of instances:

30g. Settlement Process - Cash. Please specify total loss in USD:

30h. System Outage. Please specify number of instances:

30i. System Outage. Please specify total loss in USD:

30j. If Other, please explain:

30k. For Other, please specify number of instances:

30l. For Other, please specify total loss in USD:

30m. If other, please explain:

**Other Services**

**31. Who accepts cash deposits (or makes payment credit accommodations) for depository transactions? (Choose all that apply.)**

Central Bank

**31a. Please name banks:**

**31b. If neither/others, please explain:**

**32. Who processes cash clearing (or draws on credit lines, if applicable) for depository transactions? (Choose all that apply.)**

Depository

**32a. Please name banks appointed by depository:**

**32b. If others, please explain:**

**33. Who controls the movement of cash for cash deposits (or draws on credit lines, if applicable)? (Choose all that apply.)**

Depository

**33a. Please name banks appointed by depository:**

**33b. If others, please explain:**

**34. Who controls the movement of cash for cash clearing (or for draws on credit lines, if applicable)? (Choose all that apply.)**

Depository

**34a. Please name banks appointed by depository:**

**34b. If others, please explain:**

**35. Please indicate services you provide. (Choose all that apply.)**

Collateral handling in support of activities including securities lending, overdraft coverage, cash management, repurchase agreements, etc. Please provide details. (please answer 35c), Same day turnaround settlements., Information on distribution of new issues (IPO, Privatization)., Other (please answer 35d)

**35a. Automatic securities lending facility is provided for: (Choose all that apply.)**

**35b. If other please explain:**

**35c. Collateral Handling: please provide details:**

The SDC holds collaterals to cover cash deficit of the broker who does not pay the due cash amounts to the settlement account within the period specified on the settlement date. The collaterals consist of the contributions of the Settlement Guarantee Fund's members (brokers) which are divided into cash contributions and bank guarantees.

**35d. If other services, please explain:**

1. Holding the ownership register of the issuers. 2. Executing the transfers of securities excluded from trading. 3. Corporate actions processing including Increase/ Decrease of capital, Stock Splits and Merger. In addition to authenticate and release of pledge and freezing. 4. Providing investors with many services including identification in

the SDC's systems, account set-up, statements of securities ownership, and the ability to freeze the securities in the central registry. 5. Providing e-services: online account viewing, electronic initial public offering (e-IPO), web services for extracting statistical data and members' services including mailbox and members' area 6. Real time dissemination of information that is updated on daily basis such as board members' names, holdings and trades, major shareholders, financial figures and statistical data. 7. Allocating ISIN and CFI for all issued securities.

**36. What procedures are in place for the processing of corporate action entitlements? (Choose all that apply.)**

Other (please answer 36d)

**36a. Credited to the securities account: (Choose all that apply.)**

**36b. If other please explain:**

**36c. Name of entity:**

**36d. If other, please explain:**

The SDC shall make the necessary changes to the registered securities and to the accounts of the owners of securities whether at the SDC or under the control of any of its Members in accordance to the corporate actions (Increase, Decrease of capital, Mergers). Cash dividend is handled by issuers and private placement (subscription) is notified to the SDC by the issuer through the Securities Central Operation Registry Processing & Information Online (SCORPIO) issuer system. SCORPIO is an SDC-designed and implemented system, is a bilingual system that is a complete solution for the registration, deposit, safe-keeping and transfer of securities ownership. SCORPIO consists of a number of systems and modules for registration, depository, clearing and settlement and also provides mechanism for risk management and surveillance of clearing and settlement. Its modules include brokers, issuers, custodian, surveillance and auditing, pledge and website services systems.

**37. What procedures are in place for the processing of interest and dividends?(Choose all that apply.)**

Income and dividend collection is handled by an entity separate from the depository. (please answer 37c)

**37a. Credited to the cash account: (Choose all that apply.)**

**37b. If other please explain:**

**37c. Name of entity:**

Since SDC accounts and shareholder registry positions are maintained down to the level of beneficial owner, cash dividends and interest payments are sent directly to beneficial owners by securities issuers.

**37d. If other please explain:**

**Linkages With Other Central Securities Depositories (CSD) or International Central Securities Depositories (ICSD)**

**38. Please list all depositories or settlement systems to which you have an electronic link.**

Central Bank of Jordan as a settlement system through (RTGS-JO) using SWIFT instructions to effect transfers with immediate value, also SDC settlement system to generate SWIFT message which is directly connected to SWIFT through Auto Client

**39. Are procedures and controls (firewalls) in place to avoid systemic collapse or contamination if one of the linked entities should experience business interruptions for whatever reason?**

Yes (please answer 39a)

**39a. Please explain:**

SDC has implemented Diverse routing connecting to SWIFT using different ISP's with 2 redundant VPN on secured leased line and dedicated telephone.; also a Backup Swift server in place.

**40. Has a business interruption recovery plan been developed in the event the linkages should become inoperable for any reason?**

Yes

**40a. If no or other, please explain:**

ACCOUNT STRUCTURES AND RECORDKEEPING

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*The purpose of this section is to identify the nature of accounts; the naming convention is employed, the level of segregation achieved, accessibility in the event of bankruptcy and the frequency of reporting generated from them.*

**41. Are participants permitted to maintain more than one account at the depository?**

Not applicable

**41a. If yes, please indicate number: (Choose one.)**

An unlimited number of accounts.

**41b. If more than one account what is the maximum?**

**41c. If other, please explain:**

**41d. If other, please explain:**

**42. Are participants required/permitted to segregate assets held for their own benefit from those they hold for their clients?**

Yes (please answer 42a)

**42a. If yes, is segregation required or simply permitted?**

Required (please answer 42b)

**42b. How does segregation occur? (Choose all that apply.)**

By separately designated beneficial owner accounts.

**42c. If other, please explain:**

**42d. If other, please explain:**

**42e. If other, please explain:**

**43. Does the depository permit its participants to open accounts in the participant's own nominee name(s)?**

No

**43a. If yes, do laws exist, which define as well as protect the rights of beneficial owners with respect to securities registered in nominee name?**

**43b. If other, please explain:**

44. In the event a participant's single or main account is blocked for any reason (e.g., insolvency, penalties, violations, liens), would securities held in any account or accounts on behalf of the participant's clients be accessible:

44a. By the participant's clients?

Not applicable

44b. If yes, please describe briefly how clients of participants would access their securities and whether there would be any delay in their ability to do so:

44c. If other, please explain:

44d. By the intervening authorities controlling insolvency or other proceedings?

Not applicable

44e. If yes, please describe briefly under what conditions access would be granted to the intervening authorities:

44f. If other, please explain:

44g. By the participant's creditors?

Not applicable

44h. If yes, please describe briefly under what conditions access would be granted to the participant's creditors:

44i. If other, please explain:

44j. By the depository's creditors?

Not applicable

44k. If yes, please describe briefly under what conditions access would be granted to the depository's creditors:

44l. If other, please explain:

45. In what form does the depository maintain records identifying the assets of each participant? (Choose all that apply. Please refer to "Help" for clarification.)

Computer file (please answer 45b)

45a. If other, please explain:

45b. In which format is the source data maintained?

Secured Data Base

**Response Necessary/Eligibility Question**

46. Rule 17f-7 requires that an Eligible Securities Depository "provides periodic reports to its participants with respect to its safekeeping of assets, including notices of transfers to or from any participant's account."

Does the depository make available periodic safekeeping reports to participants, including notices of transfers to or from the participant's account?

Yes (please answer 46b)

**46a. If no or other, please explain:**

**46b. If yes, please indicate the scheduled frequency: (Choose one.)**

Upon request, Other (please answer 46c)

**46c. If other, please explain:**

The participants are able to view updated safekeeping reports on daily basis through (SCORPIO)'s electronic systems provided to each participant.

**47. What is your document and record retention policy for documents and records described above in this section? (Choose one.)**

Other (please answer 47a)

**47a. If other, please explain:**

15 years for hard copies of data, however, no retention policy is applied for electronic records.

## SETTLEMENTS

---

*The purpose of this section is to identify the model of settlement employed, the relationship between cash and securities, and the basis on which participants meet their obligations.*

**48. The Committee on Payment and Settlement Systems of the Bank for International Settlements (BIS) has identified three common structural approaches or models for linking delivery and payment in a securities settlement system. Please indicate which model your procedures most closely resemble (Please refer to details on the models within the "Help" section located below this question): (Choose all that apply.)**

Model 2 - Gross Settlements of Securities Transfers Followed by Net Settlement of Funds Transfers. (please answer 48a)

**48a. Please briefly describe your settlement process, including how your settlement procedures may vary from the model chosen above (and as described below in the Help section)?**

Gross Settlements of Securities Transfers is simultaneous with Net Settlement of Funds Transfers.

**48b. If other, please explain:**

### **Question 48 Help:**

*Model 1 - Gross, Simultaneous Settlements of Securities and Funds Transfers. These systems settle transfer instructions for both securities and funds simultaneously on a trade-by-trade (gross) basis, with final (irrevocable and unconditional) transfer of securities from the seller to the buyer (delivery) occurring at the same time as final transfer of funds from the buyer to the seller (payment). The securities settlement system maintains securities accounts and funds accounts for participants. Transfer of securities and cash are made by book-entry.*

*Model 2 - Gross Settlements of Securities Transfers Followed by Net Settlement of Funds Transfers. These systems settle securities transfer instructions on a trade-for-trade (gross) basis, with final transfer of securities from the seller to the buyer (delivery) occurring throughout the processing cycle, but settle funds transfer instruction on a net basis, with final transfer of funds from the buyer to the seller (payment) occurring at the end of the processing cycle.*

*The securities settlement system maintains securities accounts for participants, but funds accounts are usually held by another entity (often a commercial bank or the central bank). Securities are transferred by book-entry, such transfer being final at the instant the entries are made on the securities settlement system's books. The corresponding funds transfers are irrevocable, but not final. During the processing cycle, the system calculates running balances of funds debits and credits, the balance being settled at the end of the processing cycle when the net debit and net credit positions are posted on the books of the commercial bank or central bank that maintains the funds accounts. Settlement of funds accounts may occur once a day or several times a day.*

*Model 3 - Simultaneous Net Settlement of Securities and Funds Transfers. These systems settle transfer instructions*



*for both securities and funds on a net basis, with final transfer of both occurring at the end of the processing cycle. Settlement may occur once a day or several times a day. The securities settlement system maintains securities accounts for participants. Funds accounts may be maintained by another entity, either a commercial bank or the central bank.*

**49. Are the cash and security movements simultaneous?**

Yes

**49a. If cash and security movements are not simultaneous, please indicate the duration of the timing gap. (Choose one.)**

**49b. If other, please explain:**

**49c. If other, please explain:**

**OWNERSHIP OF SECURITIES**

---

*The purpose of this section is to determine how ownership of securities is represented, the ways the depository maintains ownership or control of securities held in the depository, and the extent to which ownership of assets held by the depository is separated from the proprietary assets of the depository.*

**50. How are depository eligible securities held by the depository?**

Securities in the depository are held in dematerialized form.

**50a. If other, please explain and identify amount held in this other form as a percentage of total depository holdings:**

**51. If depository eligible securities are certificated, can depository eligible securities be held outside of the depository?**

Not applicable

**51a. If certain designated securities are held outside the depository, please indicate under which conditions these securities would be held outside the depository:**

**51b. If depository eligible securities are required to be centrally immobilized at the depository, where and with whom are the certificates safekept? (then please answer 51c)**

**51c. Are these certificates:**

**51d. If registered, how are the depository eligible securities registered?**

**51e. If other, please describe:**

**51f. If in the name of a separate nominee, please identify by name the nominee used:**

**51g. If other, please explain:**

**51h. If depository eligible securities may be held either in or out of the depository, are these certificates:**

**51i. What are the control features for receipt of certificates to the depository (e.g., authentication procedures, re-registration)? Please describe:**

51j. If other, please explain:

51k. If other, please explain:

52. If securities are dematerialized:

May dematerialized security positions be re-certificated and held outside the depository?

No (please answer 52a)

52a. Are the securities held: (Choose all that apply.)

Through book-entry at the depository

52b. Please identify which types of entities may act as registrars: (Choose all that apply.)

52c. Please explain:

52d. If the securities held by the depository are recorded by book entry at the registrar, are the securities registered only to the depository, with the depository providing the function of recording ownership on a centralized basis for the market? (Choose all that apply.)

52e. If yes, how are securities held at the registrar for the account of the depository? (Choose one.)

52f. Please describe:

52g. If the securities held with the depository are recorded by book-entry at the registrar but are not registered exclusively to the depository, may they be registered to:

52h. Please describe:

52i. If the securities held with the depository are recorded by book-entry at the registrar, what are the control features at the registrar for transfer of registrar positions to and from the depository (e.g., authentication procedures, reconciliation, confirmation of position at registrar)? Please describe:

N/A

52j. If other, please explain:

52k. If other, please explain:

52l. If other, please explain:

**Response Necessary/Eligibility Question**

53. Rule 17f-7 requires that an Eligible Securities Depository “maintains records that identify the assets of each participant and segregate the system’s own assets from the assets of participants.”

Does the depository maintain records that identify the assets of each participant and segregate the system’s own assets from the assets of participants?

Yes

53a. If other, please explain:

**54. Does the law protect participant assets from claims and liabilities of the depository?**

Yes

**54a. If other, please explain:**

Protection of SDC participant's assets is self-enforcing due to the fact that the nominee concept is not applied in Jordan, therefore, the SDC maintains participants' securities positions down to the level of beneficial owner and the participants' assets are specifically segregated from any assets owned by the SDC. The maintenance of participants' positions at the level of beneficial owner provides the participants with the highest level of protection in cases where a claim is lodged against the SDC. It is, therefore, impossible for the participants' assets to be co-mingled with SDC assets and become subject to a lien or claim lodged against the SDC.

**55. Can the depository assess a lien on participant accounts? (A lien would entitle the depository to take and hold or sell the securities of the participant in payment of a debt.)**

Yes (please answer 55a)

**55a. If yes, for what reasons are liens or similar claims imposed? (Choose all that apply.)**

To secure payment for purchased securities

**55b. Please describe:**

**55c. Please indicate the limits of this lien as indicated below: (Choose one.)**

**55d. Please explain:**

**55e. If a lien is placed on a participant's account which has been designated for its clients, will the depository select certain securities to be subject to the lien?**

No (please answer 55h)

**55f. If yes, please indicate whether: (Choose one.)**

**55g. Please explain:**

**55h. If no, please indicate whether the entire account will be subject to the lien.**

No

**55i. If other, please describe:**

See note to question No.54

**55j. For accounts designated as client accounts, do procedures exist to restrict the placement of liens only to obligations arising from safe custody and administration of those accounts?**

**55k. If yes, are the restrictions accomplished by:**

**55l. Please explain:**

**55m. If other, please explain:**

**55n. If other, please explain:**

**55o. If other, please explain:**

## **56. Transfer of Legal Ownership**

**Does the depository have legal authority to transfer title to securities?**

Yes (please answer 56a)

**56a. When does title or entitlement to depository securities pass between participants? (Choose one.)**

When corresponding money or other consideration is transferred. (please answer 56c)

**56b. Please describe:**

**56c. Where does title or entitlement to depository securities pass between participants? (Choose one.)**

On the depository books

**56d. Please describe:**

**56e. If other, please explain:**

## **HANDLING OF SECURITIES OUTSIDE THE DEPOSITORY ENVIRONMENT**

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*The purpose of this section is to consider the process (and any risk inherent within such a process) that involves the safekeeping of client assets while they are being removed from a depository and being lodged into a depository.*

**57. How are eligible securities lodged (that is, placed) in the depository system? (Choose all that apply.)**

Other (please answer 57a)

**57a. Please describe:**

Securities are lodged in the depository system electronically after receiving data from the exchange after the daily trading.

**58. When are securities lodged into the depository reflected in a participant's depository account? (Choose all that apply.)**

Securities are reflected in the participant depository account immediately upon delivery to the depository.

**58a. Please explain:**

**59. How long does it usually take to lodge securities with the depository? (Choose one.)**

Other (please answer 59b)

**59a. Please specify:**

**59b. If other, please explain:**

Same day

**60. During the process of lodging securities into the depository, can the securities:**

**Be traded?**

Other (please answer 60c)

**60a. During the process of lodging securities into the depository, can the securities:**

**Be settled?**

Other (please answer 60d)

**60b. During the process of lodging securities into the depository, can the securities:**

**Have ownership transferred?**

No (please answer 60e)

**60c. If they cannot be traded, or if you answered other, please explain:**

Securities can be traded provided that it is done through the same settlement cycle, same broker.

**60d. If they cannot be settled, or if you answered other, please explain:**

Settlement for traded securities is done 2 days after trade date (T+2).

**60e. If ownership cannot be transferred, or if you answered other, please explain:**

Ownership transfer can take place only after settlement (T+2) through the depository.

**61. Are securities immediately available for delivery upon transfer to the depository?**

No (please answer 61a)

**61a. If no: Securities are unavailable for:**

Other (please answer 61c)

**61b. If more than 4 weeks, please specify:**

**61c. If other, please explain:**

After the end of the settlement cycle at (T+2)

**61d. If other, please explain:**

**62. Please describe briefly the arrangements/procedures/facilities you maintain to ensure that eligible securities held at the depository are handled at least as efficiently as compared to securities held outside the depository, particularly in relation to income, corporate actions and proxy services.**

All securities held at the depository securities, whereas by law only deposited securities held at the depository are the ones that can be traded, pledged, and considered eligible to ownership property rights. Non deposited securities however are the part still maintained by the issuers prior to the depository's formation, and they can't be traded or pledged until properly deposited at the depository.

**63. What transfer process steps are involved when eligible securities are withdrawn from the depository for safekeeping? (Choose one.)**

Not applicable.

**63a. Please specify:**

**64. How long does it usually take to remove securities from the depository? (Choose one.)**

Not applicable

**64a. Please specify:**

**64b. If other, please explain:**

**65. While the securities are being removed from the depository, can they:**

**65a. Be traded? (Choose one)**

Not applicable

**65b. Please explain:**

**65c. Be settled?**

Not applicable

**65d. Please explain:**

**65e. Have ownership transferred?**

Not applicable

**65f. Please explain:**

**STANDARD OF CARE**

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*The purpose of this section is to understand the responsibility and liability that the depository has in providing services to its participants/members in the settlement and clearing of securities and/or cash, and to understand what type of protections exist for participants in the event of a participant failure/default.*

**Depository Liability**

**66. Does the depository accept liability (independent of any insurance coverage) for the following:**

**66a. Reconciliation errors with the registrar and/or the issuer that result in direct damages or losses to participants?**

Other (please answer 66d)

**66b. If yes, please check all of the following that apply:**

**66c. If other, please explain:**

**66d. If other, please explain:**

Reconciliation of damage or losses shall take place in the case where the depository is held responsible for such errors as per a court order, and in accordance with the relevant laws in force.

**66e. Theft of securities (either physical certificate or electronically from accounts at the depository) from the depository that result in direct damages or losses to participants?**

Yes (please answer 66f)

**66f. If yes, please check all of the following that apply:**

The depository assumes liability for direct losses

**66g. If other, please explain:**

**66h. If other, please explain:**

**66i. Failure of the depository's systems that result in direct damages or losses to participants because they cannot use either securities or funds?**

Yes (please answer 66j)

**66j. If yes, please check all of the following that apply:**

The depository assumes liability for direct losses

**66k. If other, please explain:**

**66l. If other, please explain:**

**66m. Any direct damages or losses to participants caused by the depository due to its errors, omissions or fraud?**

Yes (please answer 66n)

**66n. If yes, please check all of the following that apply:**

The depository assumes liability for direct losses

**66o. If other, please explain:**

**66p. If other, please explain:**

**66q. Any direct damages or losses to participants caused by the depository in its capacity as a central counterparty?**

Not applicable

**66r. If yes, please check all of the following that apply:**

**66s. If other, please explain:**

**66t. If other, please explain:**

**66u. Does the depository guaranty settlement?**

Other (please answer 66w)

**66v. Please explain how this is accomplished. What are the procedures and safeguards that permit the depository to guaranty settlement?**

**66w. If other, please explain:**

Settlement of traded securities is conducted through an electronic environment, and is governed by a legal framework to eliminate risks related to settlement, where no failure in the securities side is possible, and although the cash side is not fully controlled, but there has been no failure trades since the depository overtook the settlement process, and there are measures to be put in the near future to eliminate completely the cash side risks.

**66x. Any direct damages or losses to participants caused by the depository as a result of force majeure events, acts of God, or political events, etc.?**

No

**66y. If yes, please check all of the following that apply:**

**66z. If other, please explain:**

**66~. If other, please explain:**

**66+. In all cases where the depository assumes responsibility for direct or indirect or consequential losses, is the depository's liability limited by a standard of care determination?**

No

**66\*. Please define the standard of care applied:**

**66!. If other, please explain:**

**67. Do the depository's written contracts, rules, or established practices and procedures provide protection against risk of loss of participant assets by the depository in the form of?**

**67a. Indemnification**

No

**67b. Please explain (then please answer 67c):**

**67c. Please provide details of the relevant sections of the contracts, rules or practices where this information is found.**

**67d. Insurance**

No

**67e. Please explain (then please answer 67f):**

**67f. Please provide details of the relevant sections of the contracts, rules or practices where this information is found.**

**67g. Acknowledgement of liability for losses caused by depository's own actions.**

No

**67h. Please explain (then please answer 67i):**

**67i. Please provide details of the relevant sections of the contracts, rules or practices where this information is found.**

**67j. Other**

No

**67k. Please explain (then please answer 67l):**

**67l. Please provide details of the relevant sections of the contracts, rules or practices where this information is found.**

**68. Is the depository immune from legal action in its own jurisdiction?**

No

**68a. If other, please explain:**



## **Security Control**

**69. How do participants receive information (view actual settlement of trades, movement of securities on their accounts, etc.) and see the status of their accounts? (Choose all that apply.)**

By direct electronic link

**69a. Please explain:**

**70. Do participants have access to affect their holdings, including confirming and affirming trades, movement of securities on their accounts, etc.?**

Yes (please answer 70a)

**70a. How is access given to participants? (Choose all that apply.)**

By direct electronic link (please answer 70b)

**70b. Please select type of electronic link:**

Secured, leased, dedicated telephone line

**70c. Please explain:**

**70d. If other, please explain:**

**71. Regarding data security:**

**71a. Are passwords used by participants to access their accounts?**

Yes

**71b. If other, please explain:**

**71c. Does each user have a unique user ID?**

Yes

**71d. If other, please explain:**

**71e. Are passwords regularly changed?**

Yes (please answer 71f)

**71f. How often?**

Once every month

**71g. If other, please explain:**

**71h. Is there a user lock-out after a pre-set number of unsuccessful User ID attempts?**

Yes (please answer 71i)

**71i. How many?**

Three times

**71j. If other, please explain:**

**72. Does the depository communicate with other market entities such as stock exchanges, payment systems, clearing houses, etc., by secured linkages?**

Yes (please answer 72a)

**72a. Please explain:**

Stock Exchange: VLAN and tight coupling environment. Settlement system: RTGS-JO through SWIFT.

**73. How does the depository communicate with other market entities?**

**73a. Stock Exchanges (Choose all that apply.)**

Secured, leased, dedicated telephone line, Paper/other

**73b. Payment Systems (Choose all that apply.)**

Secured, leased, dedicated telephone line, Internet, Fax, Paper/other

**73c. Clearing Houses (Choose all that apply.)**

Not applicable

**73d. Registrars (Choose all that apply.)**

Not applicable

**74. How is access to the physical building controlled? (Choose all that apply.)**

By guards, By electronic keys/personal ID card, By alarm system

**74a. Please explain:**

**75. What are the vault security procedures for the safekeeping of physical paper? (Choose all that apply.)**

Dual access control, Fire alarms, Guards

**75a. Please indicate frequency of vault counts:**

**75b. Please explain:**

**Participant Default Protections Resulting from a Participant Failure**

**76. If a participant defaults, how is the loss covered? (Choose all that apply?)**

The depository guaranty fund covers the loss

**76a. Please explain the process:**

**76b. Please explain the process of how the loss is shared: (Choose one.)**

**76c. If other, please explain:**

**76d. Please explain:**

**77. During the past three years, has there been a situation where a participant defaulted which resulted in a significant loss?**

No

**77a. How was the situation resolved? Or if you answered "Other," then please explain:**

**78. Does the depository have a guaranty fund independent of stock exchange or other market guarantees?**

Yes (please answer 78a)

**78a. If yes, please respond to the following questions:**

**What is the size of the fund (then please answer 78b)?**

The assets of the fund as of 30/09/2016 is JOD 10.1 million (USD 14.4 million).

**78b. How is the size of the fund determined? (Choose one.)**

By participant volume

**78c. If other, please explain:**

**78d. How is the fund financed? (Choose one.)**

Contributions from participants (please answer 78f)

**78e. If so, what is the amount or percentage per owner?**

**78f. If so, what is the amount or percentage per participant?**

The contributions of the participants of the Fund are divided into cash contributions and Payment Orders. The contributions are calculated based on specific formulas based on the daily average net to pay amount for settlement due to be paid by the participant and are periodically re-calculated.

**78g. If other, please explain:**

**78h. Who is covered by the fund? (Choose all that apply.)**

Other (please answer 78i)

**78i. If other, please explain:**

Operating Brokers

**78j. When is the guaranty fund used? (Choose all that apply.)**

When a broker defaults

**78k. If other, please explain:**

**78l. If other, please explain:**

**79. Does the depository have forms of oversight management for assessing and monitoring of the following? (Choose all that apply.)**

Participant eligibility requirements, Collateral requirements for participants (please answer 79b), Settlement controls that minimize or eliminate the risk of default by a participant (please answer 79d), Blocking of securities movement before receipt of payment, Blocking payment until securities are moved

**79a. Please explain other loss or default protections:**

**79b. Please explain the requirements:**

The Settlement Guarantee Fund which was established by virtue of Article (90) of the Securities Law No. (76) of 2002. Its objectives include: 1.Covering the cash deficit of a Fund member in connection with his purchases of securities. 2.Covering the deficits in the securities account of a Fund member in connection with his sales of securities on the market. The Fund has a legal personality with financial autonomy and is managed by the SDC Board of Directors and the chief executive officer. The contributions of the members of the Fund (Brokers) are divided into cash contributions and bank guarantees. The contributions are calculated based on specific formulas and are periodically re-calculated by the SDC.

**79c. Please explain how these debit caps work:**

**79d. What type or types of settlement controls (Choose all that apply.)**

Simultaneous DVP (please answer 79g)

**79e. Please explain:**

**79f. Please explain:**

**79g. Please explain:**

Simultaneous delivery upon Delivery versus Payment method, to give effect to a transfer of securities in exchange for the receipt of the stipulated payment amount securities in such a way will be delivered only if the corresponding delivery of the cash occurs, avoiding settlement risk.

**79h. Please identify and explain:**

**79i. Please explain briefly how these work:**

**80. Does the stock exchange have default protections that extend to the depository, such as the following? (Choose all that apply.)**

No

**80a. Please explain:**

## BUSINESS RECOVERY PLAN

---

*This section is intended to identify key aspects of the depository's Business Recovery Plan (BRP), including testing requirements and past results, expected recovery time periods, and the independent review and validation (if any) of the BRP.*

**81. Do you have a formal business recovery plan?**

Yes (please answer 81a)

**81a. Does your Business Recovery Plan include: (Choose all that apply.)**

Back-up of all computer files, Off-site data storage, Back-up files stored and locked, Off-site operations facility

**81b. Please identify both the frequency and the last date of testing for the following third party:**

**Depository participants/members**

2012, however, the SDC performed testing for depository participants/internal departments in 2015.

**81c. Please identify both the frequency and the last date of testing for the following third party:**

**Stock exchange**

N/A

**81d. Please identify both the frequency and the last date of testing for the following third party:**

**Central bank**

2013

**81e. Please identify both the frequency and the last date of testing for the following third party:**

**Local brokers**

2012

**81f. Please identify both the frequency and the last date of testing for the following third party:**

**Any other third party**

Yearly

**81g. If other, please explain:**

**81h. If other, please explain:**

**82. How quickly can the main system be reactivated in the event of an outage? (Choose one.)**

1 - 4 hours

**82a. If other, please explain:**

**83. If a back-up system exists, how quickly can the back-up system be activated in the event of the main system failing? (Choose one.)**

1 - 4 hours

**83a. If other, please explain:**

**84. Will the depository publicly announce any system interruption?**

Yes (please answer 84a)

**84a. To whom will the depository disclose any system interruptions? (Choose all that apply.)**

To the depository regulators, To all direct participants, To direct and indirect participants, To the public via the internet (please answer 84b)

**84b. If so, please list webpage address:**

www.sdc.com.jo

**84c. If so, please list all publications:**

**84d. Please explain:**

**84e. How will the depository disclose any system interruptions? (Choose all that apply.)**

By e-mail, Other (please answer 84f)

**84f. Please explain:**

Fax

**84g. If other, please explain:**

**85. In the past three years, has it been necessary to activate the recovery plan in a live situation?**

No

**85a. If yes, how much time was needed to implement the recovery plan? (Choose one.)**

**85b. How much time was needed to recover and restore business to normal operations? (Choose one.)**

**85c. What was the impact to the market? (Choose all that apply.)**

**85d. If other, please explain:**

**85e. If other, please explain:**

#### PERFORMANCE, INSURANCE, AND LOSS

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*This section is intended to identify the level of insurance maintained by the depository, and the extent to which coverage would extend to financial loss incurred by participants and their clients, including but not limited to losses resulting from operating performance, security breaches, and employee negligence or misconduct.*

**86. Has there been any material loss by the depository during the past three years?**

No

**86a. If there has been a loss, please describe the cause, the final impact and the action taken to prevent a recurrence:**

**86b. If other, please explain:**

**87. Has the depository been subject to any litigation involving a participant during the past three years?**

No

**87a. Please explain the circumstances and resolution:**

**87b. If other, please explain:**

**88. Has the depository realized revenues sufficient to cover expenses during the past three years? (Choose one.)**

Yes for all three years

**88a. If other, please explain:**

**89. Does the depository maintain a reserve for operating losses?**

No

**89a. Please describe and indicate reserve amount:**

**89b. If other, please explain:**

**90. Has the regulatory body with oversight responsibility for the depository issued public notice that the depository is not in current compliance with any capital, solvency, insurance or similar financial strength requirements imposed by such regulatory body?**

No

**90a. Please describe:**

**90b. In the case of such a notice having been issued, has such notice been withdrawn, or, has the remedy of such noncompliance been publicly announced by the depository?**

**90c. If yes, please describe:**

**90d. If no, why not?**

**90e. If other, please explain:**

**90f. If other, please explain:**

**91. Does the depository have insurance to cover losses in the event of Default on settlement commitments by the depository or a participant?**

No

**91a. What is the amount of the coverage?**

**91b. What is the amount of the deductible?**

**91c. If other, please explain:**

**92. Does the depository have Fidelity insurance (that is, insurance to cover loss of securities or money resulting, for example, from acts such as forgery, theft, fraud and/or employee dishonesty)?**

No

**92a. What is the amount of the coverage?**

**92b. What is the amount of the deductible?**

**92c. If other, please explain:**

**93. Does the depository have insurance for Operational Errors?**

No

**93a. What is the amount of the coverage?**

**93b. What is the amount of the deductible?**

**93c. If other, please explain:**

**94. Does the depository have Errors and Omissions insurance?**

No

**94a. What is the amount of the coverage?**

**94b. What is the amount of the deductible?**

**94c. If other, please explain:**

**95. Does the depository have insurance for the Premises?**

Yes (please answer 95a)

**95a. What is the amount of the coverage?**

Insurance for Buildings : JOD 6 million (USD 8.5 million), this amount is joint between securities depository center, amman stock exchange, and Jordan securities commission. Insurance for Assets : JOD 1.5 million (USD 2.1 million)

**95b. What is the amount of the deductible?**

N/A

**95c. If other, please explain:**

**96. Does the depository have any other insurance?**

Yes (please answer 96a)

**96a. If so, what is it for?**

Cash in safe and cash in transit insurance.

**96b. What is the amount of the coverage?**

Cash in safe insurance: JOD 15,000 Cash in transit insurance: JOD 10,000

**96c. What is the amount of the deductible?**

**96d. If other, please explain:**

**97. Who is the insurance carrier? If more than one insurance carrier, please list each carrier here and provide your responses to questions 97a and 97b in corresponding order.**

N/A

**97a. Who is the insurance carrier's parent company, if applicable? (If inapplicable, simply type n/a.)**

N/A

**97b. What is the term of the policy?**

N/A

**97c. Who does the insurance cover? (Choose all that apply.)**

Not applicable

**97d. If other, please identify:**

**98. If you feel that you would like to provide additional details on any of the given answers, feel free to provide**



any additional comments here (maximum of 5,000 characters) or prepare an additional document identifying the question(s) you are commenting on and upload the document under 98a:

**98a. Upload document here:**

PUBLIC AVAILABILITY

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**99. The AGC encourages respondents/depositories to make their answers to this questionnaire publicly available. Will you be making your response publicly available? (For additional guidance, please review the help feature to this question.)**

Yes (please answer 99a)

Question 99 Help: The AGC suggests that you consider making your completed questionnaire available to the public - either in response to requests or, if possible, by posting it on a web site. The information provided in response to the questionnaire will be used by the member banks of the Association in compiling Rule 17f-7 risk analyses and may also be furnished by members to U.S. investment companies. The information may also be furnished to other types of institutional investors, or to other parties who have an interest in the securities markets of various countries. However, the Association does not intend to release questionnaire responses directly to the general public. (For these reasons, the members of the Association cannot assure that responses will be treated as confidential or that responses will not become public.)

**99a. If yes, how will you be making it publicly available: (Choose all that apply.)**

Web site (please answer 99b), By individual request with depository (please answer 99c)

**99b. Please provide web site address of publicly available questionnaire:**

www.sdc.com.jo

**99c. Please provide name of contact at depository who has been designated to receive such requests (then please answer 99d).**

Mr.Khalil Naser

**99d. How would they prefer to be contacted? (Choose all that apply.)**

Telephone (please answer 99e), Facsimile (please answer 99f), By mail/air courier (please answer 99g), By e-mail (please answer 99h)

**99e. Please provide telephone number:**

+962 6 5672550

**99f. Please provide facsimile number:**

+962 6 5672622

**99g. What is the preferred street address for mailing requests?**

Capital Market Building, Al- Mansour Bin Abi Amer Street, Al-Madina Al - Riyadiya District Al-Abdali Area, Amman, Jordan P.O.Box. (212465) Amman 11121 Jordan

**99h. What is the preferred e-mail address for such requests:**

info@sdccom.jo

**99i. If other, please describe how you will be making the questionnaire publicly available:**

**100. Association members from time to time receive requests from their direct investor-clients for an informational copy of a depository's completed questionnaire. Such requests typically lead to interactions between personnel at the depository in question and member personnel or client personnel, or both. Those interactions take time and impose costs on both members and depositories.**

**Do you approve of Association members delivering a copy of your completed questionnaire to the member's direct client in response to the client's request?**

Yes

**Please provide any comments you have regarding the questionnaire.**

**You have reached the end of the questionnaire. Please be sure your contact details are updated. Your contact information is located in the first section of Part One within this questionnaire.**

**Please also be sure to print your responses and review them prior to changing Datasheet Progress to "Completed" under Part Two. (To print, select the printer friendly link at the top of the questionnaire.) When you are prepared to submit your answers, please return to Part One and Part Two of the questionnaire and change Datasheet Progress to "Completed". The members of The Association of Global Custodians thank you for your time and for your helpful response.**