



No.: 375/M.C.C

Dated: 19/10/2021

Monetary and Credit Council, Pursuant to the provisions of Law No. 23 dated 17 March 2002 and amendments thereto, in addition to Provisions of Article 12/B/4 of Law No. 8 of 2021 on establishing microfinancing banks. Furthermore, Letter No. 5858/16, dated 05 October 2019, sent by the Banking Supervision Department, and the revision thereof in its session convened on 14 October 2021, **decided the following:**

Granting approval for the adoption of the regulations set forth below for accepting grants, wills, and donations for microfinancing banks in accordance with Law No.8 of 2021, **and according to the following:**

Article 1- Definitions: For the purposes of this decision, the following definitions shall have the meanings assigned alongside each:

- **Donation/ Donations:** Refers to grants, wills, and donations. Grants are considered acts of donation, binding only on the donor's side, constituting a contract whereby the donor provides funds without compensation, typically requiring acceptance by the recipient to finalize the contract, given that there are no fees, though the donor may impose a specific obligation on the donor without relinquishing the intention to donate¹. Donations, in general, follow a similar trajectory to the definition of grants. The same applies to grants, with the distinction that a grant is a donation made by a person during their lifetime to be executed after death as part of inheritance distribution, pursuant to the provisions of the law.
- **Bank/ Banks:** Refers to licensed microfinancing banks whose status complies with the provisions of Law No. 8 of 2021, unless the context requires otherwise.
- **Donor:** Either a natural or legal person offering a donation, grant, or a will, or the legal representative of the same.
- **Asset/ Assets:** Refers to the cash or in-kind assets subject to donation, grant, or will.
- **Resident or Non-Resident Person:** Subject to the conditions stipulated in the decisions issued by the Monetary and Credit Council, particularly Decision No. 1080/M.C.C/B4 dated 29 January 2014.

Article 2- Microfinancing banks are authorized to accept cash and in-kind grants, wills, and donations from resident or non-resident entities after obtaining the

¹ Pursuant to the provisions of Article 454 of the Civil Law

necessary approval and in accordance with the specified regulations and provisions of this decision.

Article 3- The bank shall assume the duties, responsibilities, and regulations specified within this decision regarding the acceptance, verifying, and using of donations. The responsibility of ensuring the legality of the donation process remains with the donor.

Article 4- The bank shall not receive the asset subject to donation without obtaining the necessary approval according to the provisions of this decision.

Article 5- The bank shall commit to adopting procedural guidelines and templates for the acceptance of donations, endorsing them as assets. The guideline shall include, at a minimum, the following procedures:

1. The donor/ intending donor shall submit a letter to the bank regarding the intended donation, including the donor's name, legal form, proof of identification of the donor (whether a natural or legal person)², and the type of donation (cash or in-kind). The donation conditions shall also be specified, including the applicable conditions, the cash or in-kind original subject of the donation, and its specifications.
2. A decision shall be issued by the bank's board of directors regarding the possibility of accepting the donation. If the decision approves the donation, provided the conditions are met or there are no impediments to acceptance, the request shall be forwarded to the Central Bank of Syria.
3. The bank shall submit a request for approval from the Central Bank of Syria for the acceptance of the donation, accompanied by only the following documents:
 - 3.1 A copy of the bank's board of directors' decision to approve.
 - 3.2 Donor's information (name and type of activity).
 - 3.3 Donation conditions, if any.
 - 3.4 Donation amount and type.
4. The request for approval of the donation shall be studied by the Central Bank of Syria, (the Banking Supervision Department) and shall be transmitted by the Governor of the Central Bank of Syria through an official letter within a maximum period of one month from the date of receipt of the complete request and necessary documentation.
5. In case the donation is accepted, the issued approval shall include the necessary deadlines for the using of the donation according to the specific case defined in clause (b) of paragraph (2) of Article (6) of this regulation concerning the sale of foreign exchange proceeds, and the specific case defined in clause (g) of paragraph (3) of Article (6) of this decision concerning facilitating in-kind donations.
6. If the bank's board of directors or the Central Bank of Syria rejects the donation for any reason, the donor shall be duly informed of the non-approval, with the obligation in all cases to inform the Central Bank of Syria directly in the event of a non-approval by board of directors of the bank.

² Whether a commercial register, an establishment instrument for a legal person, or any other acceptable document proving the donor's activity.

Article 6- Upon receiving the assets subject to donation, the bank shall adhere to the following:

1. For cash donations from resident natural or legal persons:

a. The donation shall be received in cash or by transfer, or through any other acceptable means, whether in SYP or foreign exchange, into the bank's account.

b. In case of donation in foreign exchange, it shall be deposited regardless of the method of submission into the bank's account opened for the (donee) with any of the operating and licensed banks in Syria allowed to deal in foreign exchange, and in accordance with the applicable laws and regulations. The bank shall commit to selling the proceeds of foreign exchange in accordance with the provisions of clause (b) of paragraph (2) below, and according to the conditions set by the Central Bank of Syria for this purpose in the issued approval.

2- For Cash Donations from non-Resident Natural or Legal Persons

a. The bank shall receive the donation in SYP or in foreign exchange, either in cash or by transfer, or through any other acceptable means, into the bank's account. In case of donation in foreign currency, it shall be deposited, regardless of the method of submission, into the bank's account opened for the (donee) with any of the operating and licensed banks in the country permitted to deal in foreign exchange, and in accordance with the applicable laws and regulations.

b. The bank shall commit to selling the proceeds of foreign exchange donations in accordance with the instructions issued by the Central Bank of Syria and within the period specified in the approval issued for the donation.

3- For In-Kind Donations the bank shall adhere to the following:

a. Receipt of in-kind donations from the donor shall be documented through a detailed receipt containing a description of the donated assets, along with their technical condition, in addition to an appraisal report of their value from a qualified expert.

b. Completion of the procedures for transferring ownership and possession to the bank shall be carried out after obtaining approval from the Central Bank of Syria and in accordance with the applicable laws and regulations, within a period not exceeding three months if the donated assets have assets register, such as (real estate register, vehicle register, or industrial register).

c. Utilization of the in-kind donations in the bank's activities, services, or their encashment shall be conducted within the specified period in the instructions issued by the Central Bank of Syria and the Monetary and Credit Council, as indicated in the approval issued for the donation.

Article 7- a. The donor shall not have any direct or indirect interest from the donations that adversely affect the bank's policy.

b. Without prejudice to the above, donations may be associated with a condition exclusively related to the donor's preference for their use or investment at the bank, without any other condition related to the bank's policies or business directions.

c. The bank shall not accept any donation that includes a condition contradicting the provisions stated in this decision or the applicable laws and regulations.

Article 8- a. The bank shall exclusively use cash donations for lending operations, granting facilities, and financing purposes.

b. Regarding in-kind donations, the bank shall:

1) Encash the in-kind assets donated if they are not intended for use in the bank's activities and services, within the specified period in the approval issued by the Central Bank of Syria, in accordance with the stipulations in paragraph (5) of Article 5 of this decision, and use the proceeds of the encashment in lending operations, granting facilities, and financing, as stated in paragraph (a) of this Article.

2) Utilize the in-kind assets donated in the bank's activities and services exclusively for the purpose specified in the approval issued for the donation.

Article 9- Donations shall be recorded in the bank's records according to international accounting standards and as stated in these regulations.

Article 10- This decision shall be duly informed to concerned party for implementation.

Chairman of the Monetary and Credit Council

Dr. Mohamed Issam Hazimeh