

The Supervisory-Policy Guidelines of the Banking System in 1388 (2009/10)

Chapter I- Definitions

Article 1- The words and phrases of this Guideline are defined as follows:

1. Package: the Supervisory-Policy Package of the Central Bank of the Islamic Republic of Iran in 1388 (2009/10)
2. Central Bank: Central Bank of the Islamic Republic of Iran (CBI)
3. Banks: public and private banks as well as finance and credit institutions which were established by law and/or received an operation license from the Central Bank
4. Banking system: banks and the Central Bank
5. Investment deposit: short- and long-term investment deposits
6. Basel I: International accord on capital measurement and capital standards, first proposed in 1988 by Basel Supervisory Committee.
7. Basel II: Basel II is the second of the Basel Accords, international convergence of capital measurement and capital standards approved in 2004 by the Basel Supervisory Committee, proposed for implementation from the beginning of 2008. Basel II, in comparison with Basel I, is more sensitive to risks that the banks may face.

Chapter II- Monetary Policy

Article 2- For precise and complete implementation of the Law for Usury Free Banking and the receipt of real profit on participatory contracts, the banks' lending rates for these contracts in 1388 will be set according to proportion mentioned in the contract and for transaction contracts will remain at the same level as the previous year.

Note 1: Extension of banking facilities at a lower lending rate is conditioned on the payment of subsidies by the government and realization of the project objectives according to the government priorities.

Note 2: In extending banking facilities to clients, the banks have to be assured that the principal and the expected profit of the loan will be recovered when the loan installments come due.

Note 3: For housing hire purchase, households consumer durable purchase (worth Rls. 20 million), loan to productive units (up to Rls. 500 million), and lease of vehicles, the banks should extend loans under transaction contracts.

Article 3- The maximum banking commission for investment deposits is set at 3 percent.

Note 1: The banks' board of directors should set the commission for investment deposits at the beginning of the year through media accordingly. The said commission rate would form a competitive edge in the banks' marketing strategy.

Note 2: Banking commission may vary for different banks and across different deposits (short- and long-term, and special); however, this rate should not exceed 3 percent.

Article 4- In order to increase the share of banks' long-term deposits and strengthen sustainability of these deposits, the reserve requirement ratio of the banks in 1388 (2009/10) is determined as follows:

Type of deposit	Reserve requirement ratio (percent)	
	1387 (2008/09)	1388 (2009/10)
Gharz-al-hasaneh savings	10	10
Demand and others	20	17
Short-term investment	17	16
One-year investment	17	15
Two- and three-year investment	15	13
Four-year investment	13	12
Five-year investment	11	10

Note 1: The reserve requirement ratio of public specialized banks remains the same as before.

Note 2: The excess reserve of the banks, after lowering the different reserve requirements of the banks, will be used in priority order for the purpose of banks' debt payment to the CBI, loan for working capital of productive units and incomplete projects, investment for productive units, and interbank loans.

Article 5- Profit payment to deposit holders by banks during the investment period will be made according to the following provisional annual profit rates:

Type of deposit	Provisional deposit rate (percent) 1388 (2009/10)
Short-term investment (one- to four-month)	9
Short-term investment (four-month to one-year)	12
One-year investment	14.5
Two-year investment	15.5
Three-year investment	16
Four-year investment	17
Five-year investment	17.5

Note 1: Based on banks' profit and audited financial statement and the approval of the CBI, the provisional deposit rates under Islamic contracts will be finalized.

Note 2: Profit rate of special investment deposits and Certificates of Deposit of at least one-year maturity is payable at a maximum of 15 percent upon presentation of feasibility reports of the underlying projects and approval of the Central Bank.

Article 6- Central Bank is authorized, upon receiving necessary permits, to issue participation papers as required in 1388 (2009/10).

Public corporations and municipalities are also authorized to issue participation papers in 1388 (2009/10), within the framework of the relevant laws and regulations.

Profit rate of participation papers shall be equal to the profit accrued from the investment projects. The maximum provisional profit rate of these papers is set at 16 percent.

Note 1: 20 percent of the mobilized funds from the sales of participation papers shall be held by the agent bank as precautionary reserve for the likely repurchase by the agent bank.

Note 2: The banks and the corporations in which banks have direct or indirect stake and roles in their management are prohibited from purchasing participation papers in the primary market.

Note 3: Banks' purchasing of Central Bank participation papers in the primary market is permissible.

Article 7- Short-term and long-term financial borrowing/lending between the banks and the CBI and between the banks themselves will be conducted through interbank money market and with observance of the related guidelines, including the current supervisory policy package. However, the financial borrowing/lending should aim at establishing monetary discipline in the money market, and lowering banks' debt to the CBI and use of CBI funds.

Chapter III- Credit policy

Article 8- In pursuance of Article 10, 4th FYDP, the banks are obliged to allocate at least 25 percent of their facilities to water and agriculture sector. For better allocation of credits and attaining a balanced growth, the extending of facilities to other economic sectors is proposed as follows:

Sector	Share in total credits (percent)
Manufacturing and mining	35
Construction and housing	20
Services (including trade)	12
Export	8

Article 9- In their lending operations, the banks should set priority for incomplete projects and the working capital of productive units (export sector, entrepreneurial projects, and technology investments).

Article 10- Loans and facilities to Mehr Housing Project and SMEs shall be committed with the observance of specific guidelines approved by these programs.

Article 11- The banks are obliged to give priority in their lending operations to deprived and less developed regions, and the advanced technology projects.

Article 12- In order to balance supply and demand in the housing market and to facilitate financing of the housing sector, banking facilities and lending operations of the banks will be conducted with due observance of the following terms:

1. Banking facilities shall not be extended for the purchase of housing units, both the site and the superstructure.
2. The banks will extend facilities solely for housing construction either by individual residential constructors or by residential construction project developers.
3. The maximum loan facility and commitment for projects is set at a maximum of 80 percent of the cost price (up to Rls. 250 million) per residential unit for the duration of project execution.
4. Duration of loan and facilities for housing construction projects is set at 18 months. This duration may be extended by the approval of the bank's board of directors.
5. Loan facilities should be disbursed in various phases and in line with housing construction physical progress.
6. Upon completion of civil partnership contract, the banks may transfer up to Rls. 180 million of loan principal plus the accrued profit of loan during project execution period, to installment sales for a maximum period of 15 years and eligible housing unit purchase applicants. Upon request from applicants and banks' approval, the transformation of developers' civil partnership contracts to household applicants' installment sale contracts can be carried out either through regular equal installment loans or phased incremental installment loans in conformance with purchasers' payment affordability. However, the banks are not authorized to transfer more than one residential unit to each individual applicant within this framework.
7. The above said arrangement shall be extended within the framework of the pertinent guidelines and regulations such as those related to large single debtor ceilings and

with due observance of the availability of funds of each bank. In this regard, all responsibilities shall rest on the decision making bodies of each bank.

Note 1: The guidelines on housing purchase loans and facilities by Bank Maskan (Housing Bank) and under special circumstances, by other banks, will be dispatched separately.

Note 2: Mehr housing facilities will be extended according to the pertinent rules and regulations.

Article 13- With housing developers' (mass producers and investors) request, the banks are allowed to transfer part of civil partnership facilities (of housing developers) in housing construction into installment sale facilities for individual home buyers. In such cases, the banks should coordinate, through syndicated arrangements (banks, and real and legal entities), to retain the constructed homes as joint collateral between the parties involved in credit transfer arrangement. In any case, the total housing facility to individual home buyers, for each housing unit, should not exceed the installment sale set limits (maximum ceiling) for individual purchases.

Note: If the said arrangement requires revision of current rules and regulations, the CBI shall propose the required amendments and, after the approval of the guideline by the concerned legal entities, such guidelines are dispatched to the banks accordingly.

Article 14- The banks should utilize their own funds and financial resources including the current and savings accounts, Gharz-al-hasaneh funds, term investment deposit funds, shareholder capital (public or private), interbank loans and other financial resources to extend loans and facilities to their clients. The banks should arrange to balance the sources and uses of their funds without making resort to the CBI overdraft facilities. The banks are required to pay their debt to settle the balance of their lines of credit with the CBI in 1388. Overdraft facilities or lines of credit will be approved for the banks only under exceptional circumstances at the discretion of the CBI Governor.

Note 1: The penalty of overdraft facilities on CBI resources is set at 34 percent per annum.

Note 2: Before loan approvals, the banks should conduct their own due diligence process on project appraisal on economic, financial, and technical grounds. The banks need to be assured about the feasibility and viability of projects and certainty of recovering the principal and profit of their loans. Only if banks are assured on these grounds, can they approve loan requests for project finance.

Note 3: The responsibility of projects' economic, financial and technical appraisal and proper use of banks loan disbursement on the approved projects in banks lending operations rest solely on the banks' boards of directors and managing directors.

With observance of CBI monetary policy guidelines, the banks can relegate responsibilities on project financing and lending operations to their lower level of entities (credit commissions, regional headquarters, and banks' branches). This regulation should be solely for the purpose of facilitation and acceleration of banks project lending operations.

Note 4: Presumption of assurance on the recovery of principal and interest of extended loans requires that banks' boards of directors and officials adopt the following measures:

1. Appraise projects' feasibility report, assure the validity and accuracy of project documents' assumptions and forecasts with reference to market benchmarks and realities, and preclude fallacious advance billings, over invoicing of documents and other corrupt practices.
2. Verify the expertise, competence, experience, and credit worthiness of project owners (executives) and presume assurance for proper implementation of projects.
3. Set a properly balanced and acceptable sharing of projects estimated outlays between banks' facilities and clients' paid up cash construction in a way that first the implementation of the project would be feasible for the clients and second there would be sufficient incentive for the client to implement the project fully and bring it to completion in a timely manner.
4. Design and conclude a precise and comprehensive contract, encompassing detailed loan disbursement table and the flow of funds for project implementation, and set the scope of responsibility and the authority of each party (the bank and the client) and the description of process through which the projects' future earnings would be collected with valid loan collateral and guarantees.
5. Oversight and close monitoring of project process by the banks with special emphasis on proper and timely loan disbursement on the approved projects, prevention of higher than approved budget project funding and preclusion of the use of funds outside the scope of the approved project. Due consideration should be given to the capacity of Islamic contracts under the Law for Usury Free Banking and note should be taken to stipulate all required legal and judiciary requirements in contracts with banks' clients to ensure banks oversight on the use of funds in all stage of project implementation. The aim of banks oversight and monitoring would be to ensure the common interests of the bank and the client through partnership, and to prevent disbursement of excess loan, provision of false and forged documentation, over invoicing, and other corrupt practices.
6. The final stage of project lending under civil partnership relates to income recognition, profits sharing between the banks and project owners, banks claim recovery, and allocation of recovered funds to banks' term investment deposit holders. Should any

disagreement or dispute arise at this stage, the matters should be negotiated with fair and just approach. If disputes are not settled, the banks are responsible to resolve the case by utilizing other dispute settlement mechanisms or take legal actions if necessary.

7. Credit worthiness evaluation and credit scoring of clients will form the basis of banks loan and credit facilities extension to their clients. One major determining factor in credit worthiness and scoring of banks' clients would be the amount of loan and credit facilities which are approved by the banks for their clients. The credit scoring of banks' clients will be conducted either by the banks themselves or by independent credit rating agencies which will be established accordingly. For loan and credit facility contracts of more than RIs. 100 billion, a copy of the loan contract and the bank credit scoring report of the client should be submitted to the CBI.

The CBI is mandated to design and provide to the banks the guidelines regarding clients scoring and rating mechanism for the processing of the loan and credit applications. The scoring guideline should encompass data on the estimated value of investment, projections on production required loan and credit (feasibility study of the project, as well as the credit report and credit history of the applicants).

Note 5: The banks are authorized to raise funds and make financial obligations and commitments in their project financing and lending operations only if they meet standard banking practices and CBI guidelines regarding the availability of funds and the proper management of banks funding procedures. Banks should not approve financial commitments and obligations beyond their funding availabilities and with recourse to and reliance on CBI funding. In the loan and credit contracts with clients, the banks should clearly specify the sources of the funds which will be made available to their clients and clearly express that the loan approval is conditional on fund availabilities.

Article 15- With loan repayments and reduction of clients' commitments and with debtors' written requests, the banks are authorized to gradually reduce and release customers' collaterals proportionately. However, banks holding of collaterals should in a way be lower than the outstanding debt and commitments of credit recipients. The banks are also authorized to make arrangements with other banks to use joint collaterals, in which case one of the banks will perform the role of the lead bank.

Article 16- Gharz-al-hasaneh loans and facilities shall be approved within its own executive guidelines with due consideration of the following points:

1. Gharz-al-hasaneh account deposits are to be committed with good faith intentions and on bona fide grounds without due expectation of materialistic compensation and

interest payments. In order to encourage and reward depositors, bank should stick to CBI guidelines on Gharz-al-hasaneh loans and avoid unnecessary and unhealthy competition and luxurious materialistic incentives.

2. The incentive structure for Gharz-al-hasaneh depositors, type of rewards, and the banks' marketing strategies should be carried out in line with CBI guidelines. Individual rewards in each case should not exceed Rls. 250 million or equivalent of that for locally produced goods. Banks lotteries will be conducted simultaneously within a ten-day period, twice per year.
3. Gharz-al-hasaneh loans and facilities will be granted within the framework of pertinent bylaws to meet the emergency requirements of the needy applicants at the maximum level of Rls. 10 million for undocumented loans and Rls. 20 million for individuals of married couples (Rls. 40 million in total for the couple).

The banks can only charge four percent per annum as service charge and compensation of Gharz-al-hasaneh depositors' rewards on these loans. These measures do not apply to Gharz-al-hasaneh Bank which has its own regulations.

4. Banks are authorized to accept any number of gold coins as Gharz-al-hasaneh deposits, and loan them out of Gharz-al-hasaneh. However, in their loan approval, the banks cannot loan out more than ten full Bahar Azadi gold coins on each individual loans case.

Article 17- Banks' mobilized funds through Gharz-al-hasaneh savings deposits, after provisions are made for CBI reserve requirements, are to be used only for Gharz-al-hasaneh loan facilities and the banks are not allowed to use these funds for other purposes. The banks have to make the necessary adjustments in their Gharz-al-hasaneh loan approvals and provisions so as to balance the Gharz-al-hasaneh deposits and Gharz-al-hasaneh loans in their balance sheets. These adjustments should be made before the end of 1388.

Chapter IV- Supervision of Banks and Credit Institutions

Article 18- All non-licensed financial and credit institutions have to conform their operations to current guidelines and bylaws of the CBI and receive a license by the end of Azar, 1388. After the said deadline, the operation of non-licensed institutions will be conceived as illegal and the institutions will be treated accordingly.

Article 19- In 1388, banks project financing, loan and credit facilities, and financial services will be provided in the following terms:

1. Participatory contracts (profit and loss sharing): these contracts are concluded without a preset lending rate, but the banks should be assured through project appraisal that

the minimum returns (non-subsidized rates/equivalent to fixed rate transaction contracts) would be attainable on PLS project financing. The banks should conduct the due diligence process and carry out effective oversight on the implementation of the shared project.

2. The banks will render financial services and introduce potential projects to venture capitals and arrange the floating commercial participation papers for working capital of productive units or corporate participation papers for project financing. The banks will design the contractual framework for these papers as convertible or nonconvertible to equity shares of the issuing companies. These papers could be transacted in the secondary market before the maturity date. The banks do not guarantee the repayment of the participation papers or the returns on equity shares. The banks will only receive a commission fee for the services rendered.
3. Development banking will be conducted for the purpose of development of deprived and less developed regions and/or the advancement of specific sectors of the economy. Banks' aim at development banking will be financed either through government administrative funds, government deposits with joint use of funds or on agency role basis for government supported activities or regional developments. The regulation and guidelines of development banking will be proposed jointly by the CBI, Ministry of Economic Affairs and Finance, and the President Deputy for Strategic Planning and Control and will be dispatched for implementation after approval by Government Economic Commission.

Article 20- Those entities (companies, institutions, enterprises, organizations, funds and credit unions) which have a license from the CBI can embark on monetary and financial activities and their activities should conform to the CBI guidelines and regulations.

Article 21- The CBI, as the sole regulatory and supervisory authority of the banks and credit institutions (credit unions, leasing companies, exchanges (money changers), and Gharz-al-hasaneh funds), provides guidelines and draft regulations for such institutions and supervises those institutions for the best performance of such regulations in the following ways:

- A. To perform a more effective supervision, the entities subject to CBI supervision are required to submit relevant periodic and case reports and data on CBI format, to CBI authorities and fully cooperate with CBI supervisors and auditors.
- B. Banking supervision is conducted by the CBI through on-site and off-site methods. The aim and focus of banks supervision is to monitor banks' precautionary measures and their conformance to the CBI guidelines and regulations. In its supervisory exercise, the CBI's major area of concern would include, but not be restricted to,

banks' overdue claims, non-performing and doubtful loans, capital adequacy ratio, loans and facilities to related persons, observance of maximum loan and commitment by single large debtors, appropriate auditing procedures, established risk prevention and resolution management methods in areas like liquidity risk, credit risk, operational risk, and sovereign risk.

- C. For non-bank credit institutions, on-site and off-site supervision will be carried out to ensure that those institutions observe pertinent rules and regulations in their areas of work and that the non-licensed institutions would conform their activities to such regulations within a certain period of time.
- D. Non-licensed and non-compliant institutions are treated according to the provisions of Article 44 of the Monetary and Banking Law.

Article 22- In order to reduce loan and credit risks and maximize the use of banks' capital, the banks collectively and jointly (through consortium arrangements) can take over project financing of large projects. Central bank will draft to provide guidelines regarding the instruments and other requirements for banks' joint project financing and lending operations.

Article 23- The banks should design appropriate instruments for attaining the following objectives:

- 1- Encouraging good credit record customers, intensifying and enforcing penalties, and restricting and abandoning clients with bad credit records and past due loans from banks' services;
- 2- Offering bonuses and considering preferred customers' status for creditworthy clients;
- 3- Limiting banking services to questionable and defaulting customers, tantamount to the amount of their default;
- 4- Extending loan and credit facilities to banks' clients is conditioned on clients' having no arrears and past due loans to the banking system.

Article 24- The banks' service charge and commission to customers will be set according to the CBI guidelines and table. The CBI's approved service charge and commission rate is the maximum chargeable rate. For competitive purposes and customer service-related improvements, the banks can provide up to 50 percent discount of the approved rate to the customer.

Article 25- The banks are required to prepare a checklist for documents needed for banks' service provision and lending operations as well as a step by step guideline in the form of a notice to be exposed to the view of the customers in the branch. This list should be prepared for different service provision and project financing (SME projects, large and sizable projects,

Gharz-al-hasaneh loans, joaleh, purchase of consumer durables and automobiles). Acceptance of applicants' requests and filing take place after necessary documents are submitted according to the checklist and the files lacking in necessary documents will be returned to customers for completion. On project lending, banks' appraisal of customer application will be announced in a maximum of 45 days and for other services a maximum of 15 days upon completion of documents. For competitive purposes, the banks can lower the deadline on customer application appraisal.

Article 26- The total loans and commitments to any related group customer and manufacturing unit should not exceed 15 percent, and for non-manufacturing units should not exceed 10 percent of the capital base of the bank. For loans and commitments beyond the said limits, the banks can provide the syndicated loans by consortium of banks, provided that those limits are observed for each individual bank member of the syndications. Loans and commitments lower than the set amount will be the decision of banks' credit authorities and based on banks' internal regulations. Meanwhile, total loans and commitments to any related group customer, up to 20 percent of the capital base, will be CBI's decision.

Article 27- The banks are not allowed to establish new companies or develop the existing investment companies without the consent of the CBI. Moreover, the banks are required to sell their non-productive and unnecessary assets. The banks are also required to sell their shares in excess of CBI guidelines in the affiliated companies (subject of circular MB/182 and MB/183 dated 26.01.1386). The banks are obliged to submit a report on their performance to the CBI every 3 months.

Article 28- Public banks are required to prepare a three-month timeframe for the sale of the shares in their affiliated companies and report their performance on this Article to the CBI and the Ministry of Economic Affairs and Finance.

Article 29- The banks are required to prepare a timeframe for the sale of their excessive and foreclosed assets and submit a quarterly report on the performance of this Article to the CBI and the Ministry of Economic Affairs and Finance (private banks will submit their report to the CBI only). Meanwhile, the CBI will use bonuses and penalties in implementation of the Provisions of Articles 27, 28, and 29.

Article 30- With the approval of the CBI, the banks can establish representative offices, branches, and subsidiaries (with local banks or with foreign participants) abroad. The CBI will coordinate the constellation of Iranians abroad with the Ministry of Foreign Affairs.

Article 31- The banks are required to restructure their financial management in line with Basel I Accord and prepare the grounds for customization and implementation of Basel II Accord. Staff training, improvement of financial ratios, advanced internal auditing, and comprehensive risk management techniques (credit risk, market risk, and operational risk) are prerequisites for implementation of the said Accords.

Article 32- The banks are required to establish an appraisal and compliance unit within 6 months after the announcement of this Guideline. The banks should adapt their regulation and implementation on foreign exchange commitments, local currency commitments and contracts, and guarantees in line with CBI guidelines, and internal and international banking practices after the appraisal and approval by the compliance unit. The banks are required to submit a quarterly report on the performance of their compliance unit to the CBI.

Article 33- The banks should have an operational due diligence procedure to constantly control and monitor that checkbooks are not handed over to clients on whom banks have past due loans, arrears and doubtful claims.

Article 34- The banks are required to submit a timetable for settlement of overdue and non-performing loans and doubtful claims to the CBI within a maximum of one month after the announcement of this package. The banks should recover and collect their overdue loans according to this timetable.

Article 35- The banks are required to classify their overdue and nonperforming assets (foreign exchange as well as local currency assets) within a maximum of two months after the announcement of this package. The banks should adopt measures that asset-classification take place electronically and overdue claims be classified as non-performing at a maximum of two months after the loan is overdue.

Chapter V- Payment System and Electronic Banking

Article 36- In implementation of electronic banking, the CBI is responsible for policymaking, setting banking regulations and standards, interbank settlement management, oversight and supervision of the security of electronic transactions for interbank operations (such as Interbank Information Transfer Network (SHETAB) and Real Time Gross Settlement (SATNA)), and the development of infrastructures for electronic banking (including electronic signature and electronic interbank clearing house). Other electronic aspects of banking transactions including banks' design, implementation, and utilization of internal systems are the responsibilities of banks' Board of Directors, and electronic services companies.

Article 37- The banks are required to observe rules and regulations of the CBI regarding the establishment of comprehensive and operational core banking framework through which all accounts, loans and credits, and commitments to customers could be integrated in a centralized form. The banks should provide a progress report on the implementation of this Article to the CBI on a quarterly basis. Meanwhile, in order to have a unified bank account number for customers, the banks should follow and adopt the standard international banking practice in this regard, the details of which will be dispatched to the banks within 6 months of the declaration of the package by the CBI.

Article 38- The banks should provide incentives and encourage their customers to use credit cards. Banks are required to issue the minimum number of credit cards in 1388, according to the instructions dispatched by the CBI.

Article 39- The banks are required to encourage the use and initiate issuance of point of sale (POS) cards and provide incentives to groceries and supermarkets to use POS facilities in their business location. The banks should adopt measures to ensure that in 1388 at least 25 transactions per month take place in each POS facility.

Article 40- Ministries and public entities are strongly advised to adopt such measures in 1388 that banks electronic facilities, POS terminals, and other physical and virtual banking potentials would be used by public in their day to day operations and dealings with them.

Article 41- By end 1388, electronic interbank clearing house will be made operational by the CBI. The banks are required to do their part and preparations on implementation and putting into operation of electronic clearance of interbank transactions through CBI facilities according to timetable provided by the CBI.

Article 42- The CBI will prepare guidelines and regulations regarding the establishment and the operation of virtual banking. The CBI will set up a fast track appraisal and processing procedure of applications for licensing of 100 percent electronic retail banking.

Article 43- With cooperation of relevant ministries and related agencies, the banking system will implement and put into operation a comprehensive credit information system of banks clients, at most by end-Shahrivar 1388.

Note: The credit information system of banks clients should have the capacity and the capability to communicate and transfer information with other information networks in the country.

Article 44- The banks are required to design and implement, within 3 months, the internal auditing and clients' credit scoring system so that loan and lending operations of banks are conducted with due observance of creditworthiness of customers, their ability to repay, and earning capacity of loans.

Article 45- The banks are required to receive a unique track number from the CBI for each loan and lending operation to real and legal persons so that all loan transactions could be tracked by that number and the reports for the loan status could be made possible with the use of track numbers.

Chapter VI- Other regulations

Article 46- In implementation of the general guidelines of Article 44 of the Constitution, regarding the privatization program, public banks privatization will be followed with priority. The CBI will adopt all measures to issue the required permits regarding public banks privatization.

Article 47- The banks are required to adopt measures to ensure that bank service provisions, check payments, and other services to customers at the final days of each month will be carried out as efficiently as the days of the month. The CBI will oversee this facilitation process.

Article 48- The CBI will adopt all measures to ensure that all aspects of anti-money laundering guideline and provisions are implemented by banks. The banks are required to train their staff regarding anti-money laundering guideline and full implementation of that.

Article 49- In line with guidelines and circulars of the CBI, the banks are required to adopt measures to oversee operations, activities, and procedures of their information technology system to ensure sound, safe, and secure information and transaction processing.

Article 50- In 1388, the banks will adopt communication policies to reflect to international community, specialized publications, and prestigious seminars the safety and soundness of financial strength of the money and banking system of Iran. Meanwhile, measures will be adopted by banks to build up sound communication with international banks and financial institutions the operational issues and banking practices. The CBI will act as coordinator of these affairs.