

**T.C.
ISTANBUL AYDIN UNIVERSITY
INSTITUTE OF SOCIAL SCIENCES**



**ACCOUNTING OF MONEY TRANSFER IN THE
INTERNATIONAL BANKING SYSTEM AND JORDANIAN
BANKING**

MA. THESIS

Mahmoud A. AL-Ababneh

Department of Business (English)

Business Administration Program

Thesis Advisor: Assist. Prof. Dr. HÜLYA BOYDAŞ HAZAR

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İSTANBUL AYDIN ÜNİVERSİTESİ
SOSYAL BİLİMLER ENSTİTÜSÜ MÜDÜRLÜĞÜ



YÜKSEK LİSANS TEZ ONAY FORMU

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ONAY

Prof. Dr. Ragıp Kutay KARACA
Enstitü Müdürü

**I dedicate this thesis for my mother may her soul rest in peace,
My father may god bless him, my brothers and sister.**

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ABBREVIATIONS

Assets	: Money
ATM	: Automated Teller Machine
Bookkeeping	: Accounting
CBJ	: Central Bank of Jordan
Chance	: Risk
Charge	: Debit
Danger	: Risk
EFT	: Electronic Funds Transfer
Exchange	: Transfer, Transaction
FIU	: Financial Investigation Unit
IASB	: International Accounting Standards Board
IASC	: International Agency Standing Committee
IFRS	: International Financial Reporting Standards
LC	: Letter of Credit
MTO	: Money Transfer Operation
POS	: Point of Sale
Record	: Account in the Bank
Remittances	: Transfer of Money
RTGS	: Real time gross settlement
Swift	: Society for Worldwide Interbank Financial Telecommunication

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ACCOUNTING OF MONEY TRANSFER IN THE INTERNATIONAL BANKING SYSTEM AND JORDANIAN BANKING

ABSTRACT

The banks, especially commercial banks, face a huge array of risks that can be caused by global competition, complex financial instruments, and mergers and downsizing, creating a risky operating environment for institutions, especially banks, and because of recent developments in foreign trade. And thus increase the trade exchange between different countries began some criminals to exploit some gaps to launder illegal funds had to be developed types of remittances in terms of speed, reliability, safety and cost to reduce such phenomena.

Foreign trade plays an important role in influencing the course of most international economies by bridging the need for goods and services not available locally through imports, enabling them to dispose of their surplus goods and services through export activity, and generally affecting production, income, employment, and financial markets.

The liberalization of international and regional trade has contributed to the increase in the level of interaction between countries of the world and has led to an increase in the volume of commodity and monetary flows between States, which has increased their impact on the various economic aspects of these States, particularly with regard to economic efficiency and social welfare.

The following transfer systems have emerged: SWIFT, EFT, RTGS to facilitate the transfer of funds and make them more simple, fast and reliable, and these systems are the basic systems for the transfer of money around the world at the present time, and to ensure the rights of exporters and importers appeared so-called documentary credit, Research These systems were described separately and referred to the disadvantages and advantages of each system.

The transfer of funds to and from abroad leads to increased opportunities for fraud, money laundering, terrorism financing and impact on the national economy. Money laundering is the recycling of money resulting from illegal acts in legitimate investment channels, to hide the real source of these funds and to look like they were generated from a legitimate source. Money laundering leads to economic stagnation and reduced GDP growth rates, which increases the total deficit of the Council, increases deficit payments, increases external indebtedness, high-interest rates, low production capacity, declining purchasing power, and rising inflation.

Keywords: *Bank transfer, Money laundering, Inter-banking.*

ULUSLARARASI BANKACILIK SİSTEMİNDE PARA TRANSFERİNİN MUHASEBESİ VE ÜRDÜN BANKACILIĞI

ÖZET

Bankalar, özellikle ticari bankalar, küresel rekabete, karmaşık finansal araçlara, birleşmelere ve küçülmeye neden olabilecek, kurumlar, özellikle de bankalar ve dış ticaretteki son gelişmeler nedeniyle riskli bir çalışma ortamı yaratabilecek çok çeşitli risklerle karşı karşıyadır. Bu nedenle, farklı ülkeler arasındaki ticaretin artması, bazı suçluların yasadışı fonları aklamak için bazı boşluklardan istifade etmeye başladıklarında, bu tür olayları azaltmak için hız, güvenilirlik, güvenlik ve maliyet açısından çeşitli para cinslerinin geliştirilmesi gerekiyordu.

Dış ticaret, birçok uluslararası ekonominin seyrini etkilemede, ithalat yoluyla yerel olarak temin edilemeyen mal ve hizmetlere olan ihtiyacı köprüleyerek, fazla mal ve hizmetlerini ihracat faaliyeti yoluyla elden çıkarmalarını ve genellikle üretimi, gelirleri, istihdamı etkilemelerini sağlayarak önemli bir rol oynamaktadır. Ve finansal piyasalar.

Uluslararası ve bölgesel ticaretin serbestleşmesi, dünya ülkeleri arasındaki etkileşimin artmasına katkıda bulunmuş ve ülkeler arasındaki çeşitli ekonomik yönleri üzerindeki etkilerini artıran emtia ve parasal akışların hacminde bir artışa yol açmıştır. Bu devletler, özellikle ekonomik verimlilik ve sosyal refah ile ilgili olarak.

Aşağıdaki transfer sistemleri ortaya çıkmıştır: fon transferini kolaylaştırmak ve onları daha basit, hızlı ve güvenilir kılmak için SWIFT, EFT, RTGS ve bu sistemler şu anda dünyanın dört bir yanına dünyanın her yerine para transferi yapmak için temel sistemlerdir. İhracatçıların ve ithalatçıların haklarının sözde belgesel kredisi olarak görünmesini sağlamak, Araştırma Bu sistemler ayrı ayrı tanımlanmış ve her bir sistemin dezavantajlarına ve avantajlarına atıfta bulunulmuştur.

Yurt dışına ve yurt dışından fon transferi dolandırıcılık, kara para aklama, terör finansmanı ve ulusal ekonomi üzerindeki etki için fırsatların artmasına yol açmaktadır. Kara para aklama, meşru yatırım kanallarındaki yasa dışı işlemlerden kaynaklanan paranın geri dönüşümü, bu fonların asıl kaynağını gizlemek ve meşru bir kaynaktan alınmış gibi görünmektir. Kara para aklama, ekonomik durgunluğa yol açmakta ve Konsey'in toplam açığını artıran, bütçe açığını artıran, dış borçlanmayı artıran, yüksek faiz oranlarını, düşük üretim kapasitesini, satın alma gücünü azaltan ve enflasyonu artıran GSYİH büyüme oranlarını düşürmüştür.

Anahtar Kelimeler: *Banka havalesi, Kara para aklama, Uluslararası bankacılık.*

1. INTRODUCTION

Historically, accounting has evolved as a logical consequence of meeting the needs and requirements of economic and social development and progress in the world of finance and business, and with increasing the functions and duties of accounting, it has been one of the most important elements of upgrading it and ensuring its continuity as a social science is its ability to respond to these requirements (Abu Zaid, 1995),

In addition, the banking system has witnessed a rapid development in the range of services it offers in terms of its variety, mix of products and the technology it uses. Therefore, these challenges have forced the accounting to provide answers to many of the current banking problems, their evolution from traditional systems to modern systems and follow-up of creative trends in international banking especially in the Jordanian international banks (Alsharari, 2017).

Transfer money plays a pivotal role in helping an organization achieve its objectives. There has been a growing recognition of the strong connection between effective risk management and transfer money, which has supported by the International Standards for the Professional Practice of Transfer money, which provided a solid basis for accounting system in the banking system. With regard to broad direction, these standards have stated that the main purpose of accounting system is to measure and develop the efficiency of transfer money and processes within the banking (Abu Nassar, 2009).

Accounting Transfer money depends on the International Standards. Its primary role regarding of transfer money is to provide objective assurance to the abroad regarding the effectiveness of the remittances. In fact, research has shown that international standards have a high importance in transferring money in proportion to the accounting system in local and international banks in a way that does not contradict the interests of organizations that wish to transfer money (Sulaiman, 2008).

Financial transfers have created a fertile environment for money laundering and terrorist financing the phenomenon of money laundering is a serious phenomenon

facing many countries of the world because of the serious economic, social and political effects on the state and its status in the international community (Al-Nuemat, 2014).

Bank transfers provide a great benefit to bank customers, which lead to the transfer of financial rights without resorting to the transfer of money sense, and is characterized by other methods of payment is inexpensive and quick implementation and easy to use by banks, in addition to the safety of the result of advanced control procedures The banks, which led to the desire of many people on this type of contracts and confidence in the efficiency of this service provided by the bank; which called on banks to allocate branches for conversion, and emerged companies specializing in the conduct of remittances (Hattab, 2009).

In addition, it is of great importance as it coincides with Jordan's compliance with the International Accounting Standards (IPSAS) through the financial accounting system, so that the address the financial accounting system at the level of banks and financial institutions, making it a scientific material that benefits students and researchers and contributes to raising their understanding of accounting in the banking sector (Basel, 2006).

2. BANK TRANSFER

Bank transfer is one of the most seasoned and most generally utilized strategies for installment in global business. Particular sorts of bank transfer were utilized as of now in the antiquated times (AL-Majali, 2016).

The bank transfer we know today, for example quickly executed "wiring" of money from one account to another by methods for media transmission, has been utilized at the discount level since the mid-1900s after the presentation of the electronic transmit. This sort of bank transfer is called transmitted transfer or on the other hand wire transfer. On the other hand, it might be additionally called a link transfer (Abbad, 2013).

It is a game plan whereby one bank, on demand of payer having his/her record in this bank, transfer reserves immediately from the payer record to another record in the same or distinctive bank. The genuine exchange is finished by the bank, and neither the sender nor the beneficiary of the cash sees or contacts the real money. Because of global bank transfer, the payer is generally the merchant and the payee is the exporter (Alawneh, 2009).

Bank transfers is a noob treatment establishment after appearance of banking system and it is the most important process of operational banking and widely spread in the world, the commercial banking system provides this service to meet the customers' needs and facilitates their purposes (Alawneh, 2009).

A money Bank transfer: is an outgoing order from the bank (transferor) depending on the clients request to another branch in the same bank or other banks, regardless wither the branch or bank is inside the country or outside (the transferring bank) request to pay an amount of money to an another person called (beneficiary).

This operation is defined as the outgoing and incoming money transfers, the first transaction is the outgoing transfer and it means the remittances that is emitted by the bank at the order of a specific person to another bank or a branch of the same bank itself, to pay a specific amount of money to a specific person (beneficiary). In

addition, the incoming remittances means the order that is take by bank from another bank or branch in the same bank to pay a specific amount of money to a specific person.

In order to address the problem of the subject of the study and analyze its dimensions and try to test the validity of the hypotheses submitted was based on the curriculum, in some of the parts related to the theoretical and conceptual framework with regard to the accounting of bank remittances (Al-Khasawneh, 2008).

In order to become acquainted with all aspects of the subject, we followed the descriptive and analytical approach supported by models and tables to simplify and understand the subject the study will focus on the money transfer process.

2.1 Elements of Banking Transfer

- The transfer applicant: is the person or entity which desire to transfer or pay specific amount of money to specific person or entity (beneficiary), the transferor may request transfer specific amount of money from his account that already has money in or he can pay in cash (Capital bank of Jordan, 2017).
- The beneficiary: is the person or entity that will receive the amount of money and probably the beneficiary is the same person who asks for transfer or independent third party. The beneficiary may be a resident in the same country and receive the amount of money in the local currency or another currency.
- The commanding bank: the bank that receives the transfer request and takes the amount of money that is required to be transferred from the client who request the transfer, then sends the amount directly to the beneficiary or through other correspondent bank (Capital bank of Jordan, 2017).
- The paying bank: if the account of the both sides of the transfer is in the same bank, the transfer of the money is done by the same bank; In this case, the bank is the commanding bank is the paying bank. On the other hand, if the both sides' accounts are in deferent banks accounts, the paying bank deliver the transferred amount to the beneficiary at the request of the commanding bank.
- Covering bank: It is the payment settlement between the issuing bank (the recipient of the transfer) and the executing bank (paying transfer). The covered bank may be the same as the paying bank (Arab bank of Jordan, 2018).

2.2 Types of Remittances

- Internal remittances: is the process of transferring an amount of money from a bank or a branch to another in the same country at the request of the client, in this case the client must deposit the amount of money he desire to transfer from the bank or have an account in the bank to cover or deduct the amount of money to move forward in the transfer process to receive it by the beneficiary. The bank will take a commission or fees for this service and the bank send a notice to the client by e-mail, fax, phone...etc. That the client owns (Bashabsheh, 2016).
- External remittances: is the process of transferring the amount of money from one country to another (internationally).

It is also required from the client to deposit the amount of money he desire to transferee or from the account that the client already has in the bank to cover the transfer, the bank will take a commission or fees for this service. The service includes more than one transaction, in addition to the wage agency, which includes the exchange process.

As pervious, we conclude that the bank transfers is important for the effective economic role that is played by making it easier for the parties to transfer money and cover their international and local debts in a sufficient, fast and safe way based on how low expensed it is, based on the new technology of following and tracing system that the banks own, the bank transfers is so important that is why banks have opened a specified transfer branches in the country (AL-Majali, 2016).

2.3 The Concept of International Money Transfer (IMT)

It is basically an electronic transfer of funds in the same country or with of broad country between the same bank branches or with different banks in this situation the client gives an order to the bank to transfer money to the beneficiary through the bank from a current existed account or by giving cash money to the commanding bank, The bank transfers the money to their branch or beneficiary bank in other places all over the world or in the country (Lytinen, 1986).

In the case of transferring money to other banks, the two banks need to have an established relationship and contract in order to facilitate the transfer.

2.4 Methods of International Money Transfer

SWIFT, FEDWIRE, CHIPA, EFT and RTGS transfers. I will try to give a brief definition to the five common ways of transferring money internationally, because this will help forward in this thesis.

- **SWIFT:** It is a correlation system between the banks, it is a centralized international system for the implementation of electronic money transfer between international banks electronically by adopting international standards and through a specific code given for each bank called SWIFT CO (Lingl, 1981).

- **FEDWIRE:** The Federal Reserve wire network Known as the Federal Reserve Bank (FED) runs a system.

FEDWIRE is a real-time money transfer system managed by the Federal Reserve that enables financial institutions to transfer funds electronically. FEDWIRE has linked bank charges and gives the funds to the beneficiary on the same business day (Hafer, 2004).

- **CHIPA:** It is a shorten for (Cleaning Inter Bank Payment System) which is the system of payment between banks in the Clearing House, where the headquarters of this system in the city of New York, the US and consists of twelve banks.

Which is the system of payment between banks in the Clearing House, where the headquarters of this system in the city of New York, the US and consists of twelve banks (Jamaludddin, 2014).

- **EFT:** Electronic Funds Transfer (EFT) implies supplanting paper-based installment orders with electronic techniques to approve a building society, bank or other monetary foundation to credit or debit a client's account.

On the other hand, a money transfer affected through managing an account framework by electronic procedures with info and yield strategies to be a great extent or totally in electronic structure" (Chorafas, 1988).

- **RTGS:** Real Time Gross Settlement (RTGS) is an electronic type of money exchange where the transmission happens on an ongoing premise. Exchange of money with RTGS has improved the situation high esteem exchanges and the recipient account gets the money exchanged, consistently (Mascavage, 2003)

The SWIFT, EFT and RTGS transfers are most using around the world so we will explain them widely.

2.4.1 Swift

It is a correlation system between the banks, it is a centralized international system for the implementation of electronic money transfer between international banks electronically by adopting international standards and through a specific code given for each bank called SWIFT CO. (Scott, 2012).

Swift represents the Society for Worldwide Interbank Financial Telecommunications.

It is an informing system that money-related organizations use to securely transmit information and instructions through an Institutional arrangement of codes. Swift assigns each financial association an exceptional 8-character or 11-character code (Carminati, 2014).

The bank ID code is the same code (BIC), SWIFT code, SWIFT ID.

SWIFT Framework seeks to institutionalize the management of money transfer from bank account to worldwide through IBN, the method or technique used in most of the world.

One of the primary purposes behind this is on the grounds that the SWIFT informing framework enables banks to share a lot of monetary information. This information incorporates the status of the record, charge and credit sums and subtleties identified with the cash exchange (Lingl, H.F., 1981).

Numbers and letters, or a combination of them, are usually between eight or eleven characters and a number, which is a BIC identification code instead of a SWIFT code used regularly by banks. Both methods can be used effectively.

The ability to access each of these identifiers is key to ensuring a quick and comprehensive exchange of all. The identification required by the bank depends on the bank used, the recipient's bank and the countries where the transfer started. In any case, without either, there is little chance of transfer (Zachariadis, 2012).

- The differences between an IBAN and a SWIFT code

An international bank account number (IBAN) is a standard numbering system, created to the discrimination bank account from around the world. Banks in Europe

at first developed the system to rearrange transactions containing the bank account from various countries.

An IBAN did not supplant an account number; rather, this is an extra number, with additional data, which helps in distinguishing proof for abroad installments.

The IBAN number comprises of a two-letter nation code, trailed by two check digits, and up to thirty alphanumeric characters. These alphanumeric characters are known as the basic bank account number (BBAN). It is up to the saving money relationship of every nation to figure out which BBAN they will choose as the standard for that nation's bank account (Sheikholeslami, 2007).

Right now, just European banks utilize the IBAN even though the training is getting to be famous in different nations.

In the register of nations, presently utilizing the IBAN framework, a few precedents are as per the following:

- Jordan: JOXXARAB00000000XXXXXXXXXXXXXX
- Turkey: TRXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
- Kuwait: KWXXNBKXXXXXXXXXXXXXXXXXXXXXXX
- After we defined the IBAN and SWIFT code, we conclude the main differences as below

The main distinction between the International Bank Account Number (IBAN) and the SWIFT symbol lies in what they characterize.

SWIFT is used to identify the bank in a global transaction, although IBAN is used to distinguish an individual account associated with a global transaction. Both have an essential role in the smooth management of the global financial market.

Prior to introducing these identity technologies, there were no globally conceived institutionalization strategies to recognize the bank account. The data used by one country to distinguish the bank and individual account were not really accepted by the countries. The absence of normal practice means that there is no real way to ensure that the data entered is correct (Shannak, 2013).

- Rapid of execution framework

Swift is the fastest way to transfer money around the world. The transfer is usually done on the same day as the transfer request, in order to obtain a guarantee; the bank must receive a request for the transfer of foreign funds, whether online or in paper form (Werther, 2003).

However, it should be taken into consideration that the messages sent by the applicant are only a request and there is no guarantee of the time at which the transfer will be received by the beneficiary but it is often on the same day or the next business day, and The transfer process is handled based on the best efforts.

Often, when conversions are sent to the nearest countries or regions, the conversion receipt or conversion due date is on the same day. However, the countries or regions are somewhat remote; the due date will be the day after the conversion consequently, most delays usually occur due to the due date (Sharma, 2011).

In addition, transfers in EUR or USD can be made by placing a priority request. There are two priorities, including the immediate priority: urgent (due date within one day) and the express and be (the due date on the same day) Also, it is not possible to accurately predict that transfers are processed so quickly because of the time difference between countries. For this reason, most foreign SWIFT messages have a due date within a business day (Najafi, 2011).

In order for the transfer to take place faster, the banks must be correspondent to each other. This means that the beneficiary of the transfer will have an account with the correspondent bank.

It can be said here as a general rule that banks can conduct interbank transfers directly when banks have direct accounts at the main offices of correspondent banks.

However, if the recipient bank does not have such an account, the bank transfer must be made via an intermediary that can link the sending and receiving banks.

Sometimes it is necessary to present an invitation to intermediaries to transfer money to the beneficiary's bank, this may take longer than usual and often, each broker will charge a commission for that (Najafi, 2011).

In addition, SWIFT prerequisite is that every global transfer must be coordinated through a bank set up in the nation, which is the backer of the cash being subject of

the transfer. Therefore, the task may take longer, contingent upon the money (Aryanezhad, 2011).

- Security

SWIFT is one of the most secure payment tools around the world, in the absence of a real motive for any beneficiary, the risks of fraud or any other type of illegal activity that cause financial damage to each of the parties to the transaction are eliminated.

In addition, it is possible to track the beneficiary through his bank, because the transfer process takes place from one account to another only, and SWIFT network has a very high protection system, as it is equipped with the latest modern protection programs, which provides high protection for the sensitive information of members participating in Swift (Holland, 2013).

- Effortlessness

Swift does not waste time in the transfer process. Swift is simple and easy to use, as is the case with the Swift mechanism; the paper is completely disposed of to the beneficiary and reduced to the minimum of the applicant. When the sender wants to transfer through the SWIFT system only needs to apply to the bank either online or in paper form to indicate the necessary evidence such as beneficiary's bank and beneficiary's name, currency conversion and cost selection (Jamaludddin, 2014).

The process typically takes less than ten minutes, and the recipient waits to add the credit to the account.

While the Alternative payment methods, such as documentary credits, require a lot of paperwork from the sender and the receiver to complete the process successfully, as it takes much time and is very stressful.

- The Cost

Swift was established in 1977 and since then has been striving to improve its competitiveness in terms of other payment methods and is seeking to develop its efficiency and security (Teal, 1982).

Competitiveness is the most important factor in reducing SWIFT's costs, fees, and commissions, SWIFT has proven that, since its inception, it has consistently reduced the costs of remittances, and it appears that these cuts are moving in the right direction to distinguish SWIFT from its other means of transfer (Swift, 1986).

Over the past 10 years, Swift messages have fallen by more than 70% from 2002 to 2012. If Swift continues in this direction, remittances will be much cheaper than other means of payment (Siam, 2006).

In the end, SWIFT international electronic bank transfers are one of the latest and most advanced forms of a cross-border payment. In order to assess their suitability, the most important factors should be evaluated: transaction cost, preparation time, implementation time, fraud risk, and business risk. With regard to transaction cost, SWIFT remittances are one of the cheapest ways to internationally funds transfer (Colton, 2013).

As described earlier in this part, the relative cost of SWIFT remittances is minimal compared to other payment methods. The percentage clearly varies dependent on the amount transferred (Kaddumi, 2011).

In addition, depends on the currency of the transfer and the recipient bank, the remittance may need to be transferred through one or more intermediary banks, each of which receives a commission normally generated by a payer.

However, SWIFT is the most cost-effective payment method worldwide, and while it takes time to set up a conversion process, it is fast and efficient and depends on the transfer recipient as it takes a few minutes to issue (Ramadan, 2011).

If the transfer is done via Swift, it does not drain much time. Traders also consider that transfers through SWIFT are the best tool.

In addition, the lack of physical documents makes the transfer faster because it allows the use of electronic communications and that the SWIFT conversions only limited to the minimum requirements.

Since SWIFT is a fully electronic payment instrument, its implementation, unlike other tools, does not involve any checking or verification of papers. Thus, their implementation is much faster (Oskolkov, 2013).

Swift's system relies solely on setting up and sending a message from one bank to another.

At some times, it is sent through intermediary banks because there are no agreements between all the banks; some banks have agreements with other banks, so there is a need for intermediary banks or so-called correspondent banks (Shannak, 2013).

In such cases, the transmission may be delayed and needs to wait for unexpected periods. Therefore, execution takes longer than usual until the amount is added to the recipient account.

However, SWIFT is still the fastest way to pay for cross-border money transfers, when using SWIFT transactions, the risk of fraud is too small for any contact or beneficiary to have real contact with documents or money (Shishkov, 2013)

To confirm that there is no risk to Swift messages, the SWIFT message is sent as an electronic message and then after the transfer is completed correctly the transfer amount is deposited in the beneficiary's account electronically (Abu Nassar, 2016).

It should be noted here that SWIFT messages do not fit as the main tool for conversion in large business processes such as import and export because of the risk of non-return of funds in the event of violation of the import or export terms, because transfer via SWIFT is a direct deposit of funds to the beneficiary without restrictions.

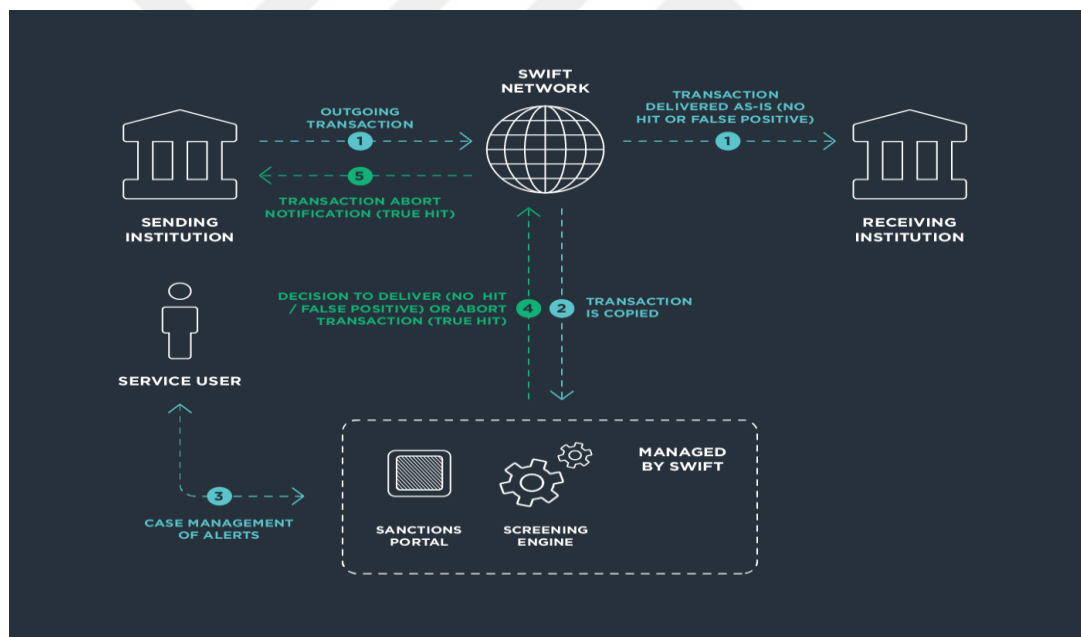


Figure 2.1: The flow of SWIFT

Source: (Rosen, 2001).

2.4.2 Electronic Funds Transfer (EFT)

EFT is the beginning stage for any work regarding the matter since the parameters of the dialog in this theory will depend extraordinarily on such a definition. EFT implies the development of a measure of cash from a client's account to another's bank account by electronic methods (Chorafas, 1988).

Some banks and credit associations offer very flexible transfer services for specific transfer channels. Similar services can be based on interbank banking, correspondence, messaging and settlement, can also apply to new technology, this comes in response to the inadequacy of traditional bank transfers to send remittances.

Although recipients typically need a bank account or credit association, it may not be necessary for some payment options (AL-Majali, 2016).

Electronic transfers (wire transfers) are typically moderate and expensive, making them more convenient for higher value business payments than for small conversions (Knight, 2010).

In addition, it may be necessary for both the sender and the beneficiary to have a regular bank financial record of severe restrictions.

Although recipients typically need a bank account or credit association, it may not be necessary for some payment options.

EFT is an important part of the online banking infrastructure of e-banks. This electronic system allows for the transfer of remittances or payments from a bank account to another bank account (Anders, 2010).

As well as transferring information about these transfers. The electronic financial transfer system, if properly applied, has a high degree of security, ease of use and reliability.

The electronic remittance system is the process of authorizing a bank to carry out credit and debit transfers electronically from a bank account to another bank account, that's mean the transfer is made electronically through phones, computers and modem devices instead of using the papers (Langdale, 1985).

Financial transfers are carried out through the automated clearinghouse, a network owned, validated and the right to operate them to the banks involved in the EFT system.

The service is distinguished from the old system (paper system) as faster and better able to handle the various Remittance services such as: check deposit service for collection when due and service collection of premiums (Shamsuddoha, 2008).

With the introduction of EFT, customers can now use payment tools that replace cash.³

In fact, most banks issue debit electronic cards, with the debit cards, customers can withdraw funds from ATMs at any time of the day and pay POS payments for services or goods provided by merchants. Similar services are available for VISA and MasterCard cardholders from other countries (Maziad, 2010).

Electronic Funds Transfer happens at Point of Sale (EFTPOS) to be methods for exchanging cash from the payer's record to the payee's record by utilization of the payer's installment through his card (Maziad, 2010).

- Rapid of execution framework

The electronic transfer is done through the signing of an approved model for the benefit of the beneficiary (for example, the merchant). This form allows for the deduction of the specified value from the customer's account according to a specific time schedule (daily, weekly or monthly) (Werther, 2003).

The Electronic Funds Transfer (EFT) form differs from the checks in its validity applies to more than one conversion process.

Often, the bank and the client deal with their job brokers providing the necessary software, many of them can be found on the Internet, and the client creates and sends the money transfer via modem to the broker (Rosen, 2001).

The Broker collects his / her financial transfers to the Automated Clearinghouse (ACH), which in turn sends the Electronic Funds Transfer Form to the Customer's Bank; the customer's bank compares the money transfer (received from the clearinghouse) with the client's balance (Cook, 2008).

If the balance is not covered by the value of the financial transfer, a notice of insufficient balance is sent to the broker to return the notice to the client.

If the balance is sufficient to cover the amount of the financial transfer, then the transfer amount will be deducted from it and transferred to the beneficiary's account (bank or merchant) at the time of payment specified in the form (Elsheikh, 2008).

If the trader wishes to carry out the transfers through the ACH without going through a broker, then the trader himself must buy the software, this software is secured by a merchant password.

In this case, the customer will approve the payment form accompanied by a certified check for the merchant. The merchant will send the credit to the clearinghouse, which in turn sends the credit to the bank to deduct the amount from the customer's account is on time and transferred to the merchant account.

In addition, there is no need to verify the adequacy of the customer's balance, because the certified check guarantees that (Elsheikh, 2008).

- The Clearing House Automated Payment System (CHAPS)

Is a method for exchanging entireties of cash the equivalent day. CHAPS is commonly utilized for high-esteem, dire installments, for example, those exchange that occur by a specialist among banks and current records amid a house purchase. Banks will for the most part charge for CHAPS installments (Al-Majali, 2012).

- Security

Any financial organization or payment system must be able to provide a very high level of protection against the risks to which financial transactions may be exposed, or at least ensure the protection of the integrity of the assets assigned to it.

In addition, financial institutions should provide necessary protection against money and data from theft and misuse (Bashabsheh, 2016).

However, customers must ensure that their transactions are executed in accordance with the instructions.

Any means of exchange, be it currency, checks, credit cards or registered electronic signals, will ultimately depend on the confidence of the public that it will retain its value and will remain acceptable to others for goods and services.

Similarly, the continued viability of financial institutions depends on the trust of their clients (AL-Majali, 2016).

Thus, the adequacy of electronic money transfer security systems is important not only because of the right of individuals to protect their accounts and the confidentiality of the information they provide, but also because an unacceptable number of security failures may undermine public confidence in financial institutions (Werther, 2003).

It can be said that cash and whatever its form are at risk such as theft, fraud, fraud, and become the target of criminal acts.

Banks and financial institutions offer electronic financial services (EFT) to be less harmful and more secure (Rosen, 2001).

ATMs and point-of-sale terminals (POS) are available to individuals to enable them to carry less Cash on their people.

When utilizing Secure EFT Processing, All EFT installments will be composed and submitted through the Controller's Office. The Controller or his agent will consent to every single new change to electronic supports exchange demands, guarantee that installment by wire is essential, every single transaction required record are appropriately given and affirmed, and that the demand and ledger data are precise and substantial (Al-Majali, 2012).

EFT data (the qualities entered in the Bank Account and Bank ID fields) to the Sage vault and acquires a false name for this data which is put away in TA. Just the last four digits of benefactor financial balance numbers are noticeable in Team Approach (as how Visa numbers are taken care of in secure Charge Processing) and EFTs are handled continuously when EFT Processing is on the run.

If an EFT installment is fruitful (not dismissed by Sage), TA makes a promise installment record in Batch Detail. On the off chance that an EFT installment produces a dismissal by Sage, TA makes a record modification change in accordance with the EFT guarantee in payment Detail, with Sage's mistake code and message recorded in the Comments field similarly as it does in Charge Processing (Elsheikh, 2008).

Blunders are dealt with likewise, to how they are taken care of in Charge Processing: If an EFT exchange is not effectively submitted to Sage, the EFT procedure finishes in mistake. Exchanges that are submitted effectively are gone into Batch Detail, either as vow installment records for fruitful installments or as record redressed to vows for rejected vow installments.

Electronic funds transfer, a standout among the best money the board apparatuses accessible to organizations is electronic subsidizes exchange, or EFT. As the name suggests, EFT allow organizations and their clients to trade cash between one another electronically and not by means of checks or wire exchanges (Bashabsheh, 2016).

EFT are likewise now and then alluded to as ACH exchanges. ACH represents Automated Clearing House, which is across the country electronic installment arranged that permit the genuine clearing of electronic installments and installment related data between monetary foundations. Installment related data could be sent alongside ACH exchanges, a procedure known as electronic information trade, or EDI (Cook, 2008).

Global exchange regularly expects installments to comparing banks, and these installments are made even more rapidly and productively by utilizing the EFT framework.

Overall, this framework will likewise be all more of the time used to deal with the travel industry and business travel exchanges (Davidson, 2016).

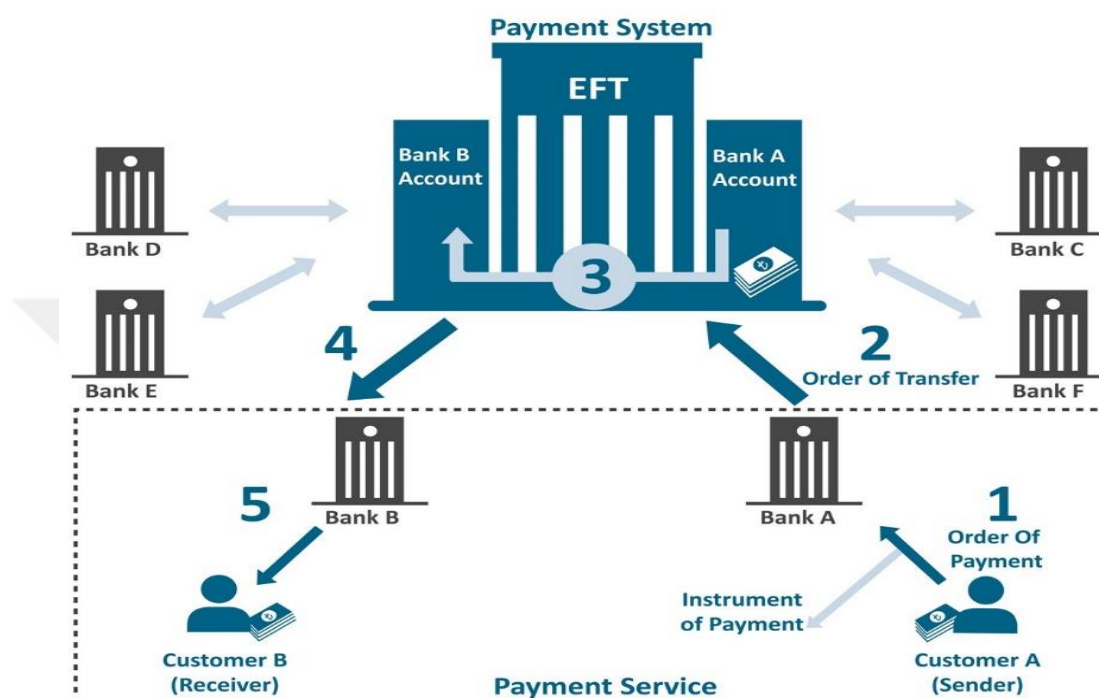


Figure 2.2: The flow of EFT

Source: (Rosen, 2001).

2.4.3 RTGS

RTGS is a real-time gross settlement system, in which transferring are carried out on an ongoing basis, immediately and on a gross basis. It is also known as an electronic central system that operates on an immediate, final, total, permanent basis for the implementation of transfer orders and provides a settlement point for liquidation systems operating in the country through central bank accounts (Mascavage, 2003)

RTGS is available on the Jordanian market and payments are processed through RTGS-JO (Central bank of Jordan, 2017).

It was implemented by the Central Bank of Jordan in September 2002 also use SWIFT instructions to carry out transfers with a value of Instant.

RTGS-JO is a real-time, total, final and irreversible electronic settlement system. The system provides a central settlement point for all netting systems in the Kingdom through central accounts of member banks of the Central Bank, all commercial banks in Jordan are members of the Central Bank of Jordan, and Payments are made through checks in the market (Central bank of Jordan, 2017).

However, checks on the corresponding banks and clearing through the central bank takes one day for liquidation.

Under RTGS, funds are transferred in real time, or in other words, at the time of receipt of the application. It is one of the fastest transfer funds between banks available through banking channels in Jordan. The Beneficiary Bank must debit the recipient's account within 30 minutes of receiving the funds transfer message (Alawneh, 2009).

All cash transfers related to the settlement between the SDC settlement account with the Central Bank of Jordan and the accounts of SDC members (brokers and custodians) are made in their commercial banks through RTGS-JO with the same day value.

- Benefits of RTGS system

The final payments during the day represent the major advantage offered by the immediate settlement system for future financial institutions to use, especially if the institution is active within the banking market (Hattab, 2009).

Customers will be able to see their financial position moment by moment by checking their accounts at the moment. The degree of utilization of the instantaneous settlement system will vary depending on the degree of activity of the financial institution used within the market (Alawneh, 2009).

The high degree of certainty of the payment process will become an integral part of the financial and market payment components, as was the case a few years ago. The treasurers' function will change the checks and ensure that they are sent to the bank's cash management department throughout the working day (Colton, 2013).

The settlement system will allow them to perform their normal functions better, with confidence and greater certainty.

Finally, each customer will be able to achieve the settlement that can accompany the collapse of the financial institution or the client's bank and the associated systemic risks.

- Adaptable liquidity the board

In RTGS, liquidity will be accessible to members consistently through arrangement of collateralized intraday credit to the members (Lockett, 2013).

- Hazard decrease

A RTGS framework can give a firm establishment to the administration of installments framework hazards as it can give members the likelihood of settling installments in national bank cash with quick conclusion, in this way wiping out the repayment chance between members, which is natural in different installments systems (Colton, 2013).

This implies that members will on a fundamental level, just pass on client cash that they get to the last recipient with no credit hazard.

- Precise and dependable transmission of data in RTGS installment messages

Any installment data will not be lost in RTGS. The installment guidelines will be sent, once the metrics are fully agreed, to the receiving member. This means that members will receive a full confirmation report (Hattab, 2009).

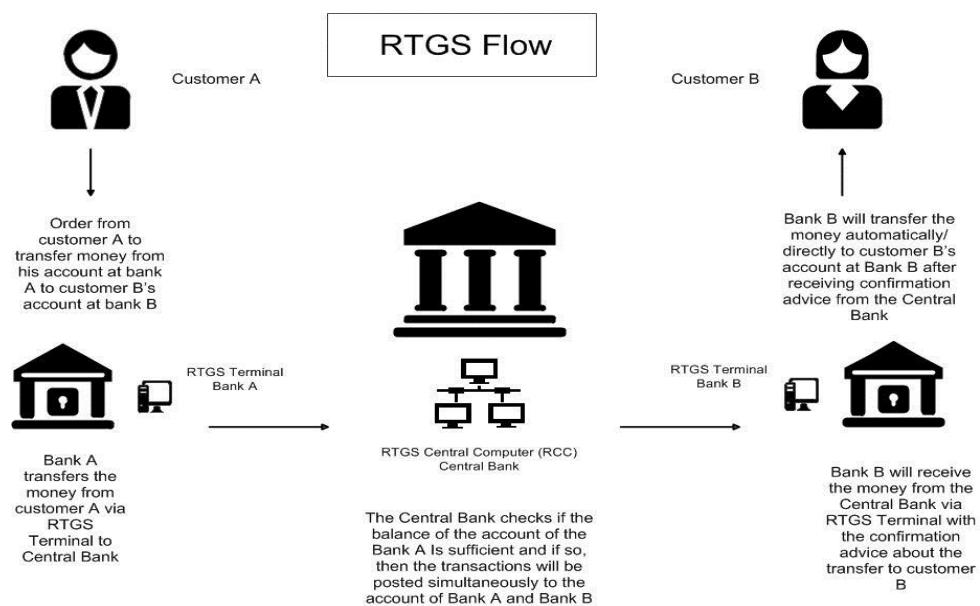


Figure 2.3: The flow of RTGS

Source: (bitsonblocks, 2017).

2.5 Money Laundering

2.5.1 Introduction

Due to the economic, political and social effects of money laundering, which is a serious phenomenon, facing many countries of the world and the international community is a general.

The liberalization of international trade has facilitated the spread of this phenomenon, and the ease of movement of capital in various countries around the world has increased the movement of funds of criminal organizations both domestically and internationally (Cassara, 2015).

In order to conceal the legitimacy of illegally obtained funds to appear as if they clean money the money laundering operations are one of the most important criminal economic activities, which aim to conceal the sources of money laundering.

Money laundering has been of great importance in the global economic arena in recent years. Domestic and international, and then in economic stability at the global level (Arnone, 2010).

Money laundering is defined as the process of transferring large amounts of money illegally obtained into clean and negotiable funds in public activities (Kumar, 2012).

Money laundering is also defined as a method used to conceal and cover the sources through which money is earned through the use of illegal means of investment and thus invest its profits in legitimate and legal activities (Madinger, 2016).

Where the money may be the result of suspicious acts such as trade in human organs, drugs, political corruption, misappropriation of public funds or fraud and similar.

Since the use of funds primarily depends on the payment methods available to transfer and transfer, funds obtained from illicit sources to hide or camouflage their nature, and financiers of terrorism to extend and finance individuals and terrorist organizations,

Whether with legitimate or illegal funds to assist them in carrying out terrorist acts, Frameworks associated with innovative ways of payment and cross-border money transfer to identify the size of risks related terms of the possibility of exploiting these methods, both in money laundering or terrorist financing (Kumar, 2012).

2.5.2 The central bank of Jordan point of view and the regulations against money laundering.

In this sense, Jordan has placed restrictions on transfers and measures to combat money laundering and the financing of terrorism.

The Central Bank of Jordan is the supervisory authority responsible for the safety of the banking system (Oqab, 2012).

In order to increase the efficiency and effectiveness of banks in practicing banking operations and protect them from the risks of exploiting them in money laundering and terrorist financing operations and to establish sound banking practices and to keep abreast of the latest international developments in this field (Central bank of Jordan, 2016).

Anti-Money laundering and Financing of Terrorism Regulations No. 29 \ 2006, which were amended by Instructions No. 42 issued on 3/7/2008 and obliged banks to abide by them (Haddad,2017).

The Central Bank has also developed a guidebook to help identify suspicious patterns laundering and the financing of terrorism and its use as a tool for educating its staff and developing it on new matters.

2.5.2.1 Functions of the banking operations follow-up department at the Central Bank of Jordan.

- Contribute to the development of evidence that will assist banks and regulatory groups in detecting illegal financial transactions through certain indicators
- Ensure compliance with the banks' compliance policy and provide the department with this policy and the persons responsible for its implementation (cbj, 2010).
- Ensure that there is a compliance risk management plan developed in cooperation with the compliance control department and the request from the licensed banks to provide the central bank, which in turn informs the control groups of the banks that did not provide the bank with the plan and any observations thereon (Al-Nuemat, 2014).

- Cooperation and coordination with the Anti-Money Laundering Unit and providing it with information on suspicious transactions with banks and any other official body (Al-Sartawi, 2017).

2.5.3 The stages of money laundering

- Deposit stage

It is one of the most difficult and dangerous stages in which there is a large amount of illegal money in addition to easy knowledge of the person, in which the disposal of illegal funds, including through the deposit in the bank or buy high-priced cars or converted to other currencies (Arnone, 2010).

Therefore, this phase has received the attention of the authorities entrusted with the fight against money laundering, aware of the difficulty of detecting illegal funds if this stage exceeds the following stages.

The money launderers at this stage depend on the physical disposal of the amount of illegal cash in order to separate it from its original source, in several ways through the exploitation of financial and non-financial institutions (Borlini, 2010).

Such as depositing dirty money in a bank account or splitting large amounts of cash and depositing them in financial institutions in different time periods, establishment of fictitious companies or real estate, then sell and replace cash with a tool of financial instruments can be paid such as traveler's checks or smuggling of dirty money to another country and the transfer to the origin of the money, but on a regular basis, normal.

- Camouflage stage

At this stage, difficult and complicated banking processes are used to distribute illegal funds in order to disguise the source of these funds.

This stage usually involves transferring money from one bank to another bank and using electronic transfer or depositing funds in banks that adopt strict rules on depositors' information in other countries (Kumar, 2012).

Furthermore, the stage of coverage or concealment, where funds are launched in many complex banking operations in order to hide the illegal source of funds and the spacing between the illegal funds and their criminal origin in preparation for the legitimacy of the source on the money (Madinger, 2016).

After camouflage and conceal the fact of the origin of the funds, the origin as a process of many transfers between accounts in banks or non-bank financial institutions, or transfer these funds to foreign banks that are not normally subject to regulation such as electronic transfer for the purpose of partnership with foreign companies

- Integration stage

Also known as the mixing stage, where illegal money is mixed with the income or forensic economy to acquire the money that was illegal as a clean money, and is absorbed into the formal economy (Cassara, 2015).

This is the purpose of money launderer, as a safe haven for illegal funds. They can provide a legal justification for the source of funds and can be recycled either in regular economic projects (property and commodity purchases) or in other criminal projects (Al-Sartawi, 2017).

The mixing phase is one of the most difficult stages for the control authorities because it is difficult without the legal and financial evidence and indicators to separate legitimate and illegal funds, especially in light of the technical revolution and the associated complexity, encryption and speed in the operation of electronic financial operations (Madinger, 2016).

2.5.4 Money laundering cases in Jordan

- Operations related to corruption (Corruption to facilitate money laundering and terrorist financing):

The Financial Investigation Unit received a notification from the Bank (X) in the State (P) regarding the fact that Ms. (A), a public employee in a government agency in an Arab country, embezzled approximately \$ 4,999.8 from her employer.

The bank (X) received two transfers totaling \$ 4,999.8 from the bank (Y). The source of the money was a transfer from a foreign exchange company (Z) in the Arab country, which was embezzled to a local exchange company and then transferred money from the account Money Transfer Company to Mrs. (A)'s account at the bank. Ms. (A) transferred the money to the bank (Y) after the exchange company was persuaded to legitimize the money by offering contracts to sell real estate and in cooperation with another person (Khrawish, 2014).

The most significant indicators of this case were:

- The Bank reported the amount of notification that the Bank had received a letter from the Embassy of the Arab State in which Ms. (A) worked in State (P) containing the request for assistance in the custody of the stolen amount by Ms. (A) and that she had defrauded another name and used a forged identity and fled to the State (P).
- The Financial Investigation Unit, through one of the regulatory bodies, has received a letter from the Embassy of the Arab State in which Ms. (A) is working in State (P), requesting that the necessary measures be taken in terms of seizure and freezing to recover it from stolen public funds (Khrawish, 2014).

The FIU conducted a comprehensive analysis of the information provided and reached:

- Addressing banks in the state (p) to know the nature of the movements that have been made on the accounts of those mentioned.
- None of the above shall have any companies in the State (p).

The suspects were convicted of money-laundering offenses and the proceeds of \$ 2,499,885, \$ 3,088,405 had been booked, and those in question were sentenced to hard labor for a period of three years and a fine of ten thousand dinars each, note that the ruling in absentia appeal (Khrawish, 2014).

- Laundering the proceeds of corruption

The FIU received notification from a bank operating in the State (p) Regarding the employee who works in the bank, the amount of the notice of the embezzlement of the amount (3.7) million dinars at intervals through the seizure of cash deposited by cash transfer companies and the implementation of fake restrictions.

The bank also discovered differences when making reconciliations and reconciliations. When the bank inquired about the bill of the shipment, he quickly fled outside the country. The financial investigation unit also received notification from one of the regulatory authorities that the movement of the accounts of the invited person (S) does not fit the size of his income (Al-Rimawi, 2004).

The bank has submitted a notification to the unit based on several transactions with the client that led to the suspicion around him, including:

- The bank discovered the amount for notification of excesses in the limit of a correspondent bank.
- The Bank finds the amount of differences when making reconciliations and adjustments.
- The escape of the suspect outside the state (p) quickly and abruptly when the bank inquiries about him Shipping Bills.
- The regulatory body informs the financial investigation unit that the movement of the suspect's account with the banks
- Does not fit the size of his income.

The FIU analyzed the information in its possession and exercised its powers to clarify the customer's status over all for submitting the file to the judicial authorities, where it reached several results:

- The suspect does not have any companies in the state (p) and transact with many real estate companies.
- The purchase of real estate and cars in the name of the suspect and his wife and children.
- The movement of suspect accounts in banks does not commensurate with the size of his income.
- The suspect has accounts with four banks
- The suspect and other persons make cash deposits to deposit checks in the suspect's accounts

The Unit referred the file after the above findings to the judicial authorities. The Prosecutor is still investigating the case.

- General case

The FIU received notification from a supervisory and supervisory authority that when it inspected and supervised one of the entities subject to its control and studied the accounts of one of its customers; it found that this customer is a symbol of it. It

has several accounts open. Most of the transactions on the accounts were cash deposits the nature of the customer's business, in addition to focusing the customer's dealings, on cash deposits without the use of any other banking instruments (Oqab, 2012).

The client led to several actions that helped draw suspicion around him:

- Several accounts are open on behalf of the client.
- Cash deposits in huge amounts in the client's accounts in a manner that is not commensurate with the nature of his work.
- Depositing checks in huge amounts in the client's accounts in a way that is not commensurate with the nature of his work.
- Customer's focus is on cash deposits without the use of any other banking instruments.

The Unit has considered this notification and has reached the following:

- There are cash deposits made in several installments to several bank accounts over several years and reached millions of dinars.
- Several persons working for the same entity as the suspect made cash deposits.
- Existence of deposit accounts of the suspect in different currencies so that the suspect makes internal transfers between these accounts to link the amounts deposited in order to obtain the best interest rate.
- The suspect transfers his salary to the deposit accounts without any movements indicating personal expenses.
- Transfers to suspect accounts from foreign investment companies.

These data helped the unit to confirm the suspicion about the mentioned and forwarded the file to the parties Jurisdiction was handed down. The suspect was convicted of the original crimes and the crime of money laundering. He was sentenced to 13 years' imprisonment and 3 months thereof (5) years for the crime of money laundering, (21,179) million dinars with the confiscation of the amounts of crimes committed by the (24) million dinars, note that the judgment is absolute (Oqab, 2012).

2.5.5 Reasons of money laundering

There are many reasons behind the growth of money laundering activities, the most important of which are (Madinger, 2016):

- The spread of tax evasion and the spread of the phenomenon of bad debts, which constitute the mirror reflective of corruption and bribery and theft of public funds.
- Political and administrative corruption and the consequent imbalances in the economic and social balance.
- Hidden precautionary rules through the search for legitimacy and security for fear of confiscation or freezing of funds to be whitened.
- Competition between commercial banks to attract more money and gain customers to increase profit rates.
- The gaps in the labor legislation, cash, exchange, import and export in light of the liberalization of the economy.
- The illicit trade in drugs; the phenomenon of globalization and the resulting ease of movement of individuals, goods and goods across international borders and the imposition of States on the reduction of obstacles and constraints to their international movement (Al-Nuemat, 2014).

2.5.6 Punishments of money laundering

The punishments imposed in Jordan as stipulated in the Penal Code to combat money laundering and terrorism financing without prejudice to any heavier penalty provided for in the Penal Code or any other law (Altaiyb ,2011):

- Shall be punished by imprisonment for a period not less than one year and not exceeding three years and a fine not less than one any person who commits the money-laundering offense provided for in this Law if the proceeds of a crime are committed.
- Shall be punished by hard labor for a period not less than five years and a fine not less than that of the money any person who commits or commits the commission of the money-laundering offense set forth herein the law if the funds are collected for a crime (Al-Nuemat, 2014).

- Shall be punished by hard labor for at least ten years and a fine not less than one hundred thousand with the confiscation of funds and all media used in the crime, whoever committed or initiated the crime to commit the terrorist financing offense provided for in this Law (Al-Nuemat, 2014).
- The partner, the intruder and the instigator shall be punished by the same punishment as the original actor.
- In all cases, the penalty shall be doubled in case of repetition
- The competent prosecutor shall exercise his powers in respect of the offenses provided for in this law in accordance with the Code of Criminal Proceedings in force or any other relevant legislation, or to the court as appropriate, to do any of the following:
 - To verify the true sources of funds belonging to the persons who commit the offenses set forth therein in this act, including the tracing of such funds and whether the source of such funds is due to anyone acts prohibited under this Law or any applicable legislation in force, and to the Court the competent authority may decide to seize and confiscate them (Basel,2006),
 - The funds of the complainant shall be charged with the offenses provided for in this Law and on funds the wife is prohibited from disposing of these funds and preventing them from traveling until completion of the investigation procedures and the competent court may decide to confiscate it (Haddad, 2017).
 - The reservation of any money to others if it is proved that it has been obtained as a result of committing any of the following the offenses provided for in this Law.
 - Reservation of property in which proceeds were mixed with funds acquired from legitimate sources determine the value of illicit proceeds and the products of their exploitation (Qasim, 2017).

3. IMPLEMENTATION OF ACCOUNTING STANDARDS IN THE JORDANIAN BANKING SYSTEM

The Hashemite Kingdom of Jordan is one of the leading countries in the field of using international accounting standards and is one of the main Arab countries adopted 20 years ago.

Jordan has joined the global economy through a continuous transition to a market economy, and joined the World Trade Organization, the Mediterranean Partnership with the European Union and the Free Trade Organization with the United States of America (Al-Issawi, 2007).

Jordan again adopts international accounting standards and international auditing standards, making it dependent on restrictive local accounting requirements and reviewing requirements (Hamidat, 2009).

The Jordanian legislator enacted Law No. 23 of the Companies Law in Article 184 of 1997 that all parties must abide by the application of international accounting standards (cbj, 2016).

This was reflected in the nature of financial reports issued by Jordanian organizations, including banks and insurance agencies.

For example, the JSC, classified by the Stock Exchange, the Center for Creativity, brokers and traders, just like the exposures in the budget summaries, the Central Bank of Jordan, which builds financial summaries prepared by banks according to the latest models around the world, directs and monitors Jordanians who manage an account and regulatory framework Insurance that controls and manages insurance agencies (Al-Khasawneh, 2008).

In addition, the Ministry of Industry and Trade is building a large number of organizations in the Ministry of Industry and Trade. The Ministry completed a draft of the Companies Law to update it to keep abreast of the evolving developments.

It should be noted that these supervisory bodies embrace IAS, but much more so that these standards are included in the writings of Jordanian legislation (Cbj, 2016). The

Jordanian government has confirmed a wide range of laws and stipulates that, to be specific, corporate, securities, Protection and payment of fees, must be adhered too, in addition, establishments that are keen on an accounting from a proficient perspective:

- Association of Jordanian Auditors.
- Arab Society of Certified Accountants.
- Securities Commission and Amman Stock Exchange.
- Ministry of Finance.
- Ministry of Industry and Trade.
- The Central Bank of Jordan
- The Audit and Financial Control Bureau of Jordan.

3.1 Legislative Environment in Jordan

The formal stages of the laws begin from the moment they are confirmed by the Council of Ministers through the National Assembly with the two persons and agents, certified by His Majesty the King, and distributed in the Official Gazette (Jordanian law, 2003).

If legislation or accounting standards are approved, the Council of Ministers shall represent the Ministry of Finance (Prime minister, 2016).

- First: Refer the legal project from the government

Refer the draft law from the government to Parliament with the formal approval of the Council of Ministers to obtain it and has approached the legislative body to give him the Council of Ministers.

- Second: Presenting the bill of the law to the parliament

After submitting the bill to the House of Representatives, the President shall present it to the Council's plan. No bill will be presented to the Council unless a duplicate copy of the draft and the positive reasons for individuals from Parliament are allocated at least three days before the start of the investigation. Representatives of insight and reason, called the preliminary stage to familiarize themselves with the law.

The Council has the opportunity to think that there are convincing explanations for the consideration of this draft as a matter of desperation without the need to refer it to the Committee. The Chairman will put the matter to the vote and make the appropriate choice. The more the bulk of it is supported; the draft will be publicly informed, spoken about or referred to the relevant Consultative Group as a matter of desperation. The council may speak about the project. In this case, acceptance, rejection or review of the assignment will be submitted in all cases to the Senate

- Third: Study of the draft law in the Council

If the Board approves the undertaking, it will be referred to the appropriate council, which will examine the law in detail and may collect the competent priest or his representative or the higher authorities or individuals who trust that it is important to hear evaluation. Concerned persons and specialists, The Board of Trustees may ask the Rev. to give vital records, and this will be considered an important medium of the draft dialogue.

If the Minister ceases to give the requested request to the Committee, the Committee shall present a reminder to the President of the Council indicating the Minister's abstention from granting it a suitable place for the Council at the next preliminary session.

The Minister or Member shall submit a proposal to the Committee upon a request before it, he shall welcome them to go to the Assembly, which has been determined by the subject of the proposal submitted by them and has the right to monitor their own. Suggestion. If more than one part of the proposal is linked, the Commission will complete the investigation of the project.

The Chairman of the Committee will present a detailed statement describing the Committee's discoveries and subsequent proposals and the Secretary-General of the Parliament to the Chair for the agenda.

The names of parliament, government, specialists, registration of the most unambiguous places and exchange Recommendations to be prepared while talking about whether the request of any lighting on any request, the chairman of the board is the owner The expert must decide the plan as indicated in the request to lift the boards of trustees for reports that need awesome projects you need to consider.

- Fourth: Discuss the draft law in the session and vote on it.

The report of the Committee shall be included in the agenda of the Council, if a majority of the members of the Committee signs it. A table indicating the texts of the proposed laws and amendments and their reasons should be attached. If the law is amended, the list shall be added to the table indicating the article as provided for in the original law.

Before the Council begins its argument and debates it for at least five days, unless the Council decides to give urgency. The Rapporteur of the Committee read the report of the Committee. If the Board decides to exempt the Rapporteur from reading the report, the Board should consider reading the report and moving on to the project materials.

After that, the project materials will be discussed and discussed after reading each of them in the original and the proposal of the committee and the written suggestions submitted by the members of the council, which were not taken by the committee.

The views of the amendments shall begin first and foremost except for the original text. If the proposals fail, the decision of the committee shall be deemed to have been approved by the government. If the article consists of paragraphs in this case, the vote on each paragraph shall be without the need to vote on the article.

The President of the Council, the Chairman of the Committee, the Rapporteur or the Government or ten members of the Council shall have the right to defer taking the opinion of the whole draft to a subsequent session to re-vote on one or more articles. Rejection of the bill requires acceptance of the majority.

It should be noted here that, when it comes to international treaties or agreements, the Council has only the approval or rejection of the law and has no right to introduce any amendment to the provisions of a draft treaty or convention that may be deferred by the Council for consideration by the treaty or agreement.

- Fifth: the completion of the discussion and the voting.

The General Secretariat of the Council after the adoption of the draft law, whether the amendment or rejection and printed in the form approved by the Parliament and signed by the President of the Council and the Secretary General of the Council of Parliament and submit it to the Senate to complete the constitutional procedures.

- Sixth: Refer the law to the Senate and the study.

After submission of the bill to the Senate, the President of the Senate shall refer it to the competent committee. The committee begins its study. After completing its study, it submits its decision to the President of the Council and its role in its inclusion in the agenda of the Council for discussion and decision-making. If the Senate approves the House of Representatives decision, its constitutional procedures, but if the amendment or rejection of the law is returned to Parliament.

- Seventh: The state of restoration of the law from the Senate to the parliament.

If the Senate returns the bill to Parliament, it will be limited to the right of Parliament to either approve the Senate resolution or insist on its previous decision. If the Senate changes the bill, the Council has the right to examine disputed material between the two Houses only, and the law either by insisting on the decision of the previous parliament or approval of the Senate resolution.

However, if either Council insists on its decision either by refusal or amendment, the two chambers shall meet in a joint session presided over by the President of the Senate to discuss the disputed articles. An interpretation of the Constitutional Court has been issued in the absence of agreement to submit a consensus proposal to the controversial article. A decision of the two chambers, together with a two-thirds majority of the members present (and when the draft is rejected, it may not be submitted again to the Council at the same session).

- Eighth: Ratification of the law by His Majesty the King

Every draft law approved by the Senate and parliament shall be submitted to His Majesty the King for ratification. The law shall come into effect by the King and shall pass thirty days after its publication in the Official journal unless a specific provision of the law specifies its validity from another date.

Within six months from the date of its submission, shall return it to the Council with reasons for non-ratification. If approved by the two volumes after the approval of two-thirds of its members, shall be issue. If the King does not see it approved within six months, the law shall be considering valid.

3.1.1 Implementation of international accounting standards and the organization of the accounting profession in Jordan

Law regulating the profession of temporary legal accounting No. 73 of 2003, published on page 3292 of the Official Journal No.4606 dated 16/6/2003 (Al-hiyari, 2014).

- Article1

This law shall be called the organization of the legal accounting profession for the year 2003 and shall come into effect from the date of its publication in the Official journal (Jordanian law, 2003).

- Article 3

The purpose of this law is to:

- Regulate the practice of the profession and promote it.
- Ensuring compliance with accounting standards and auditing standards, thus contributing to the protection of the national economy.
- Upgrading the scientific level.
- Ensure compliance with the rules of conduct and ethics.
- Enhancing the role, impartiality and independence of the accountant.

- Article 4

A) It is a supreme body for the profession headed by the Minister and membership of:

- Minister of Finance and Deputy
- Governor of the Central Bank of Jordan.
- Head of the Audit Bureau.
- Chairman of JSC Board of Commissioners
- Director General of the Insurance Authority.
- General Controller
- President.

- Someone with experience and competence in accounting from a particular private cabinet based on the reason minister.
- A member of a teaching staff from any university specialized in accounting by the Council of Ministers upon the recommendation of the Minister based on the recommendation of the Rector.
- Three legal accountants nominated by the Board.

B) The term of membership of the two-year members shall be renewable once and may be changed by appointing an alternate who has the remaining term of his membership in the same manner in items (8), (9) and (10) of paragraph (a) thereof (Jordanian law, 2003).

- Article 5

The Supreme Authority shall assume the following functions and powers:

- The accounts applicable according to the recommendation of the Board.
- Forming a professional licensing committee and setting the necessary instructions to organize its work and determine its powers and how to conduct examinations and all other matters related to it.
- Approval of granting the license to practice according to the recommendation of the licensing committee and canceling such leave on the recommendation of the Board.
- Consideration of objections submitted to the Council's decisions.
- To form the necessary committees to assist the Supreme Authority to carry out its functions and determine it.
- Issuing instructions concerning the organization of its work and the instructions necessary to implement the provisions of this law and the regulations issued pursuant to it.
- Draft legislation related to the profession in cooperation and coordination with the Council.
- Accreditation of professional institutes for Certified Public Accountants or their equivalent.

- Article 7

- The Association of Chartered Accountants in Jordan enjoys a legal personality with financial and administrative independence. In this capacity, it must own movable and immovable property and carry out all legal procedures necessary to achieve its objectives, including the conclusion of contracts and the right to bring proceedings.
- The official authorities and any other entity shall represent the President of the Association.
- The main center of the Association shall be in Amman and shall have branches or open offices in the Kingdom (Jordanian law, 2003).

- Article 8

The Association shall aim at the following:

- Protecting the interests of members and maintaining the traditions and honor of the profession.
- Encouraging scientific and professional research in various fields of the profession.
- Participate in the planning and development of training programs to raise the efficiency of professional workers.
- Cooperation and coordination with local and Arab professional and scientific societies and bodies (Jordanian law, 2003).

- Article 9

The Assembly shall, for the purposes of its objectives, assume the following functions and powers:

- Dissemination of professional information among chartered accountants, the issuance and exchange of Korean professional and scientific books, Journals and publications, and the holding of conferences, meetings, symposia and training courses (Jordanian law, 2003).
- Cooperation in the profession with universities and educational institutions.

- Promote professional and social relations between practitioners locally and internationally (Jordanian law, 2003).
- To join the membership of Arab and international bodies related to the profession, if necessary,
- Proposing the development of legislation related to the profession
- Training accountants to apply accounting standards and auditing standards (Jordanian law, 2003).

3.2 IFRS in General

Accounting has become known since its emergence as the sole and clear source of information that contributes mainly to the rationalization of user decisions. This position has been reinforced by the characteristics and characteristics of their development that have been linked to the development of peoples and societies in a way that meets their information needs in terms of diversity and diversity over time and the need for accountants who initially believed that the accumulated experience was sufficient to meet the requirements of the profession, It is acceptable and acceptable among accounting communities, which are often influenced by judgments and personal evaluations of those who prepare them to meet the needs of users, especially after increasing their keenness to obtain information with characteristics that can only be provided if they are based To a scientific basis and theoretical structure provides a rationale and thus the inability of the principles and rules to address these requirements have a material impact on rese arc accounting (Al-Qari, 2010).

The shift of attention from the solution of practical problems of accounting to the search for their theoretical components reflects the seriousness of the need to develop a general framework that provides a theoretical reference to assessing the safety, interpretation and prediction of practices (Alsharari, 2017). Moreover, many attempts have been made, especially in the United States of America, where many bodies have taken the task of defining a theoretical framework for accounting. The most important of these is the authority and importance of the Financial Accounting Standards Board, which was mandated to issue accounting standards and general acceptance of principles at the international level, leading to the emergence of

international accounting, which is reflected in achieving a degree of harmonization between the accounting practices of different countries, Of the principles and standard accounting standards to be applicable in the world's distinct countries (Ball, 2006).

Thus, the idea of international accounting standards emerged after the establishment of IASC in 1973. The Commission began its activity with a limited entity in terms of composition or purpose, or in terms of authority to enforce the standards it issues. Years later, thanks to its relationships with various international bodies and organizations, it was able to prove its presence on the world stage as a first source of standards, especially after restructuring (Hammad, 2008).

Accounting was not established as a separate branch of knowledge but arose out of actions taken to identify economic events and overcome the problem of forgetfulness associated with human nature. For many centuries it was enough for an accountant to practice his profession. It has customary principles and rules, adopted by the profession and settled by practice, where environmental conditions played an active role in shaping these standards and principles, to preserve some of them and to abandon others (Halbouni, 2005).

Based on this hypothesis, bookkeeping at that time could not achieve the objective I was looking for and complete the task I found. However, the rapid improvements we have seen in the last century have shown that there is no specialized perspective in bookkeeping in achieving its goal and accomplishing its mission.

On a hypothetical premise and a coherent legitimacy to use recognized and recognized standards, and reverse those endeavors that attempt to build a stable structure for the bookkeeping hypothesis and fortify logical resources through (Hammad, 2008).

However, despite all these efforts, there is still no accounting theory characterized by stability and inclusiveness, where many theories have emerged, different according to theorists and their surroundings, and in the ongoing task of creating the desired virtual structure, enthusiasm to search for the assumption of bookkeeping Standards. It depends on a reasonable system and thus arises from a constant connection between them and the destinations, ideas and standards of bookkeeping.

The other beneficiaries of the information in the financial reports, as the company seeks to attract new funds continuously from a variety of sources, and may be in the form of new contributions to the capital or in the form of loans (Hammad, 2008).

It is natural that donors need financial information to enable them to make decisions about investing or lending to these companies, and the expected return on their investments. Other beneficiaries have interests in the company, such as suppliers, customers and employees, as well as government agencies and banks.

To protect the rights of the Company's stakeholders, it is necessary to have accounting standards that specify the methods to be used to measure the processes, events and circumstances that affect the Company's financial position.

For the objective of making a profit, and to give this info, appropriate and reliable to its beneficiaries.

That accounting standards determine the basis and proper methods for estimating, introducing and disclosing relevant financial reporting components and the impact of tasks, events and conditions on their financial position and the consequences of their activities. A key component of financial reporting is the quality of the accounting information in which the IFRS is applied (Yasin, 2009).

(IFRS) are defined as standards, models, principles or general guidance that guide practice in accounting, auditing or auditing (IASB, 2012). In the past two years, the global standard-setting process has achieved remarkable success in achieving appreciation and greater use of IFRS (Humidan, 2010), as it facilitates international processes and pricing, as well as decisions on resource allocation (IASB, 2012).

On the other hand, the quality of profits reflects the ability of current profits to present a true picture of the future of the company and its ability to continue in the future because it is an important element in the financial statements and is used in the rationalization of decisions and the most important factors affecting the quality of profits are the accounting standards which in turn prevent the management of the company from Manipulating accounting policies or making estimates that give management the option of influencing the financial results that manage profits (Hamdan, and Awad, 2012).

3.2.1 Reasons for the emergence of IFRSs

Attention has been given to international financial reporting standards in the past three decades for several reasons, including (Saleh, 2008):

- Multiply commercial transactions between international business companies.
- Multiplication of investments between different countries during the preceding periods and their possible multiplication in subsequent periods, as globalization and the demand for capital expected to grow in the major capital markets need to be consistent with local accounting principles and international accounting standards.
- The emergence of international accounting organizations, which requires the involvement in different global markets and the existence of a unified accounting language.
- Protection of funds invested in foreign financial markets.
- The emergence of multinational companies and the emergence of the largest international financial markets, where multinational companies grew significantly over the past years, so the need for unified accounting principles to measure and assess the situation and performance.
- The language difference among the peoples of the world led to the need to use standardized synonyms for key accounting terminology to be used in the financial statements.

3.2.2 Objectives of international financial reporting standards

Among the most important objectives and motivations for the development of IFRSs are the International Accounting Standards Board (Saleh, 2008), which can be summarized as follows:

- Enhance a single set of globally accepted, high-quality, understandable and clearly defined financial reporting standards.
- High caliber, straightforward and practically identical data to assist investors, members in universal capital markets and different users of financial data in economic decision-making.

- An effective way to reduce the gap between accounting methods and practices applied in the accounting profession and provide companies the effort and cost to prepare two sets of financial statements, one local and the other in understanding with international standards (Saadi, 2010).
- Facilitates the procedures for listing foreign companies in the international financial markets, which will significantly reduce the accounting measurement differences that appear in the financial statements of these organizations.
- Homogeneity of accounting standards at a universal dimension will greatly facilitate the work of the IRS in the countries in which they are located.
- Improving management decisions in multinational companies. Unified data are easy to understand for decision makers and decision makers and do not require different interpretations depending on their sources of preparation (Saadi, 2010).
- Useful for developing countries that lack the existence of accounting standards of their own, where it is difficult for those countries to develop their accounting standards because of the limited physical and technical potential

3.2.3 International financial reporting standards

- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRS 2 Share-based Payment
- IFRS 3 Business Combinations
- IFRS 4 Insurance Contracts
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- IFRS 6 Exploration for and Evaluation of Mineral Resources
- IFRS 7 Financial Instruments: Disclosures
- IFRS 8 Operating Segments
- IFRS 9 Financial Instruments
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement

- IFRS 14 Regulatory Deferral Accounts
- IFRS 15 Revenue from Contracts with Customers
- IFRS 16 Leases
- IFRS 17 Insurance Contracts
- IAS 1 Presentation of Financial Statements
- IAS 2 Inventories
- IAS 7 Statement of Cash Flows
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS 10 Events after the Reporting Period
- IAS 11 Construction Contracts
- IAS 12 Income Taxes
- IAS 16 Property, Plant and Equipment
- IAS 17 Leases
- IAS 18 Revenue
- IAS 19 Employee Benefits
- IAS 20 Accounting for Government Grants and Disclosure of Government Assistance
- IAS 21 the Effects of Changes in Foreign Exchange Rates
- IAS 23 Borrowing Costs
- IAS 24 Related Party Disclosures
- IAS 26 Accounting and Reporting by Retirement Benefit Plans
- IAS 27 Separate Financial Statements
- IAS 28 Investments in Associates and Joint Ventures
- IAS 29 Financial Reporting in Hyperinflationary Economies
- IAS 32 Financial Instruments: Presentation
- IAS 33 Earnings per Share
- IAS 34 Interim Financial Reporting
- IAS 36 Impairment of Assets
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets
- IAS 38 Intangible Assets
- IAS 39 Financial Instruments: Recognition and Measurement
- IAS 40 Investment Property

- IAS 41 Agriculture. (IFRS, 2018)

In the last two years, IAS has achieved several successes in achieving greater recognition and use of IFRS. In 2002, the European Union approved organizations requiring the enactment of legislation registered in Europe to apply IFRS in their consolidated financial statements. The legislation became effective in 2005 and is applied to more than 7,000 organizations in 28 countries (IFRS, 2018).

The adoption of IFRS in Europe includes the replacement of national accounting standards and requirements as a reason for the preparation and presentation of the collective financial reports of the organizations registered in Europe. Many countries outside Europe are also moving towards receiving IFRS. In 2005, these criteria were found to be required in many countries in South-East Asia, Central Asia, Latin America, South Africa, the Middle East and the Caribbean (Pellens, 2017).

In addition, national standards that reflect IFRS, such as Australia and Hong Kong, and more than 70 of its registered enterprises have applied the International Financial Reporting Standards (IFRS) in their preparation and presentation of the financial statements in 2005. Jordan is one of the first Arab countries: Of the International Financial Reporting Standards are the United States, Japan and Canada, in accordance with the standards of the size of their capital markets. Companies in these countries are still required to follow local accounting standards (Yasin, 2009).

Attempts to set standards at the international level began at the beginning of this century. The main accounting conference was held in 1904 in St. Louis, USA under the auspices of the Association of Chartered Accountants. The focus of the Conference was on the possible harmonization of accounting regulations between States.

The Third International Accounting Conference was held in New York where he presented three main papers: Continuous Consumption, Consumption and Revaluation, Year of Business or Natural. These conferences are held every five years. These conferences, which were the result of overweight users of financial reports, resulted in shareholders, creditors, investors, trade confederation and federations (Yasin, 2009).

3.2.3.1 IAS 1: presentation of financial statements

The purpose of this Standard is to clarify the premise of presenting globally useful financial statements to ensure that the Company's current financial statements are comparable to those of prior years and the financial statements of other entities for the same year (Al-Sartawi, 2017).

In order to accomplish this objective, the Standard sets out general respects for the presentation of financial statements and clarifies the structure and minimum components of the required financial statements. All that relates to the recognition, measurement and disclosure of special transactions and events in international accounting standards and other interpretations (Iatridis, 2010)

- **Scope of the Standard**

This Standard applies to all financial reports that are broadly useful and are presented in accordance with International Accounting Standards. Financial statements are defined as lists designed to meet the needs of the user who is not able to request reports tailored to specific needs. The financial statements include data provided in general reports such as the annual report or the prospectus. This Standard does not apply to interim condensed financial statements prepared in accordance with IAS 34 (Sellhorn, 2017).

- **Objective of the standard**

Objective of the financial statements the financial statements represent a systematic financial presentation of the financial position and the operations performed. The purpose of the financial statements is to provide information on the financial position, results of operations and cash flows that benefit a wide range of users of financial statements in economic decision-making (Sellhorn, 2017).

3.2.3.2 IFRS 9: financial instrument

IFRS 9 requires an article to consider a financial liability or a financial asset in its consolidated statement of financial position when it enters into the formal arrangements for the instrument. In the beginning, the financial asset or financial asset is valued at its fair value plus or minus, where there is a financial liability or financial asset that is not at fair value through profit or loss and transaction costs that

are specifically attributable to the purchase or issue of financial liability or financial asset (Piechocki, 2016).

- Scope of the standard

The IASB recognized the deficiencies in IAS 39 and proposed some guidance on resources related to money and related exposures. The task of replacing IAS 39 has been completed through the following three stages:

- Classification and measurement
- Impairment
- Hedge accounting

The standard publication and IFRS 9 are issued in stages, each phase replacing the IFRS 9 and IAS 39 standards (Gornjak, 2017).

- Objective of the standard

The objective of this Standard is to establish principles for the financial reporting of financial assets and financial liabilities that would provide appropriate and useful information to users of the financial statements. Assessing the amounts, timing and extent of guaranteeing cash flows from financial assets (Gornjak, 2017).

3.2.3.3 IFRS 10: consolidated financial statement

IFRS 10 replaces part of IAS 27 "Consolidated and Separate Financial Statements", which tends to represent subsidiaries when consolidation. What remains in IAS 27 after the adoption of IFRS 10 is the accounting treatment of subsidiaries, jointly controlled entities and partners in their various financial statements (IFRS, 2017).

The objective of IFRS 10 is to create a unilateral control presentation linked to all elements, including elements of exceptional circumstances. Developments from those managing the implementation of IFRS 10 require the exercise of monetary judgment to determine which items are manageable, and in this way require the combination of the apparent organization (Maroun, 2016).

- Scope of the standard

IFRS 10 applies to all elements, except as follows:

- If all of the following conditions are met, a consolidated financial report is not required.
- It is a subsidiary of another element, and all its different owners, including those who are generally not qualified to vote, have been educated about (and not related to), which does not seem to offer strong money (IFRS,2017).

Explanations;

- Their instruments of liability or equity are not exchanged in the open market;
- The financial reports for the issuance of Financial instrument in the open market have not been documented or recorded; and
- This final standard or any clear medium results in a consolidated financial statement that conforms to IFRS and is accessible for open use (Ball, 2016)
- The advantage of the long-term representative function or function to which the advantages of IAS 19 are intended.
- The investment material does not require a consolidated financial report, but most of its subsidiaries are measured at fair value through profit or loss.
- Objective of the standard

The objective of IFRS 10 as set out in the Standard is to establish principles for the presentation and preparation of consolidated financial statements when an asset controls at least one element (Zijl, 2016)

To achieve this goal, the following criterion:

- Requires a substance (the apparent) that controls at least one different elements subsidiaries to present combined fiscal summaries (IFRS,2017).
- Defines the standard of "control", and sets up control as the reason for solidification.
- Determines how the control standard should be applying to distinguish whether a financial specialist controls an investee company and in this manner should integrate the investee company (Ball, 2016)

- Defines the bookkeeping requirements for the arrangement of consolidated budget reports; and
- The investment entity determines the exception to the incorporation of certain subsidiaries into an investment entity (IFRS,2017).

3.2.3.4 IAS 32: financial instrument

The objective of this Standard is to enhance the understanding of the users of the financial statements as to the importance of the financial instruments, whether in the financial position or financial performance of the entity as well as cash flows.

The standard provides a description of the presentation requirements of financial instruments appearing in the budget, and specifies the information to be disclosed in respect of financial instruments, whether they are budgeted or not (Busso, 2014)

With respect to the presentation of financial instruments on the balance sheet, the Standard addresses the classification of financial instruments as liabilities, as well as the classification of related interests, dividends, losses and gains, as well as clarifying the terms under which financial assets and financial liabilities must be compensated. The disclosure part of the information is disclosing from factors that affect the size, timing and risks of the entity's future cash flows and its results on the financial instruments and accounting strategies applied in the treatment of financial instruments. In addition, the Standard prefers to disclose data on the nature and degree of organization's use of the financial instruments and their purposes. Use and associated risks and management strategies in controlling those risks (Gornjak, 2017).

- Scope of the standard

1. This Standard should be applied in accordance with the presentation and disclosure of information relating to all financial instruments, whether fixed or not, except:

- In accordance with IAS 27, "Consolidated Financial Statements and Accounting for Investments in Subsidiaries" (IFRS,2017).
- Equity in associates, as defined in IAS 28 Accounting for Investments in Associates.

- In the joint ventures, as defined in IAS 31, "Financial report on shares in joint ventures".
- Liabilities arising from benefits relating to all employee retirement plans, including retirement benefits, are also set out in IAS 19 Retirement Benefit Costs and IAS 26 Accounting and Reporting on Employee Retirement Benefits Plans.
- Employer's obligations arising from options and plans for the purchase of shares granted to employees as in IAS 19.
- Liabilities arising from insurance contracts (IFRS,2017).

2. Although this Standard does not apply to shares in subsidiaries, it applies to all financial instruments included in the consolidated financial statements of the holding company, whether such instruments are owned or issued by the holding company or subsidiary. Similarly, this Standard applies to financial instruments owned or issued by a joint venture that are included in the financial statements of the entity participating in the project either directly or using the proportionate consolidation method (IFRS,2017).

3. For the purposes of this Standard, an insurance contract is defined as a contract that exposes the insurer to specific risks of losses resulting from events or circumstances occurring or discovered during a specified period including death (obligation to make annual payments and payments to survivors), illness, disability, loss of property, Damage to third parties and cessation of activity. However, the provisions of this standard apply if the financial instrument takes the form of an insurance contract that primarily involves the transfer of financial risk (Mullinova, 2016).

3.2.3.5 IAS 39: financial instrument, recognition and measurement

This standard sets out principles for the recognition and measurement of specific information on financial assets and liabilities and, of course, disclosure.

A financial instrument is recognized in the financial statement when the element becomes a part of the financial instrument. An element removes the obligation from its statement of financial position when it stifles its obligation (IFRS, 2017).

The asset element is derecognized when its reliable rights to the cash flows of the asset have expired; when it has benefited from the benefits and each of the risks and rewards of ownership; or when it has exchanged the advantage, assumed certain risks and rewards of possession, the other party may transfer the interest. The love and rewards that are retained are an advantage (Mullinova, 2016).

Assets or liabilities are initially estimated at a reasonable estimate. The subsequent estimate depends on the classification of the financial instrument. A few ratings are estimated at the expense of consumption, some of which are at a reasonable estimate. In restricted circumstances, other valuation rules apply, for example, to certain money-related certification contracts (IFRS, 2017).

- Scope of the standard

It should be noted that there are some other criteria that address these issues within the scope of IAS 39.

For example, we are dealing with IAS 25 "Investment Accounting", which includes recognition and measurement of debt and equity investments, as well as investments in land, buildings and other tangible and intangible assets held for investment. The relevant international standard has eliminated IAS 25 except for land, buildings and other tangible and intangible assets held for investment purposes. IAS 38, which deals with intangible assets, also eliminates IAS 25 in respect of investments in intangible assets (Mullinova, 2016).

This Standard complies with IAS 32, "Financial Instruments: Disclosure and Presentation". The International Accounting Standard (IAS) is effective for annual periods beginning on or after 1 January 2001. IASB is subject to recognition, measurement, hedge and disclosure. Recognition an enterprise or an enterprise must recognize financial assets or financial liabilities in its balance sheet only when it becomes a party to the contractual provisions of the instrument (Mullinova, 2016).

As a result, an entity recognizes all of its contractual rights or obligations under derivatives in its balance sheet as assets or liabilities. Some examples of the application of the preceding paragraphs of the Standard are mentioned, some of which are stated: Receivables and creditors are recognized when the entity becomes a party to the contract and as a result has a legal right or legal obligation to receive or pay in cash (IFRS, 2017).

Financial options are recognized as assets or liabilities when the owner or the editor becomes a party to the contract. Planned future operations, although likely to occur, are not the entity's assets and liabilities because the entity from the reporting date has not become a party to a contract that requires the receipt or future delivery of assets arising from future operations.

Measurement When an asset or an element of financial liability is initially recognized, the entity must measure it at cost, being the fair value of the consideration specified (if the asset) or receivable (if necessary), and transaction costs are included in the initial measurement of financial assets and liabilities.

The fair value of the consideration paid or received can normally be determined by reference to the currency or other market prices. If the market price cannot be determined reliably, the fair value of the asset is estimated as the amount of all future cash payments or amounts received. This will be necessary, using the prevailing market price or interest rates for a similar instrument, for a source with a similar credit rating (IFRS, 2017).

Purpose of measuring financial assets after initial recognition described above, this Standard classifies financial assets into four categories:

- Loans and receivables created by the enterprise that are not held for trading.
- Investments held to maturity.
- Financial assets available for sale.
- Financial assets held for trading.

Hedge an accounting hedge includes the identification of one or more hedging instruments when the change in their fair value is a complete or partial loss of a change in the fair value or cash flows of the hedged item. An asset, a liability, a fixed obligation or an expected future operation; the enterprise may be exposed to changes in fair value, changes in future cash flows or for hedge accounting purposes that have been identified as hedges (Sellhorn, 2017).

All financial statements should include disclosures required under IAS 32, except that IAS 32 requirements for additional disclosures about fair values do not apply to financial assets and financial liabilities recorded at fair value. The following should be included in the entity's accounting policy disclosures as part of the disclosure

required under IAS 32: Significant methods and assumptions have been applied when estimating the fair values of financial assets and financial liabilities recorded at fair value separately for significant classes of financial assets (Mullinova, 2016).

If gains and losses arising from changes in the fair value of financial assets available for sale measured at the fair value of the initial recognition are not recognized in the net profit or loss for the period or recognized directly in equity until the disposal of the assets for each category (previously identified) Whether the purchases (in a systematic manner) of financial assets are accounted for on the trade date or settlement date (Mullinova, 2016).

3.3 Relationship between Accounting Standards and Money Transfer

Standards have been established to regulate the accounting profession and to record financial transactions in the correct manner. Therefore, we can say that the criterion governing the recording of transfers in banks and others is Accounting Standard No. 1 because Standard No. 1 is based on the accrual basis and not the cash basis in recording transactions (Saadi, 2010).

In the accrual basis, all revenues related to the fiscal year, regardless of the revenue collection process, shall be recorded and all expenses related to the fiscal year shall be recorded regardless of the payment process. Accordingly, in accordance with this principle, the results of the financial year shall be accurately measured and the accounts of income and expenses submitted and due shall be produced.

Furthermore, the remittances received follow the principle of maturity in the bank and it takes two working days before depositing in the account until they operate and benefit from the profit, unlike the remittances issued immediately (Hamidat, 2009).

The international accounting standards contribute to the coordination of procedures and save time and effort in the preparation of financial statements and the recording of remittances. These accounting procedures are also consolidated to guide international monetary exchanges and contribute to increasing the efficiency of financial markets.

3.4 Journal Entry of Remittances and Transfer Transaction

The objective of financial accounting is to communicate financial information to multiple parties looking to benefit from this information. To achieve this goal, the accountant performs many procedures and successive steps. The accountants may be familiar with these steps in Accounting Circle.

The accounting period is the recording of the financial transactions in the books. After analyzing the financial operations from the documents supporting the occurrence of them and identifying the debtor and the creditor party, the accountant records these operations in the Journal. The establishment according to the chronology of the occurrence of such operations (Siam, 2006).

3.4.1 Account to account

Documentary cycle for transferring from current to current accounts:

- 1- The client will complete the application form transferred by the transfer from the current accounts.
- 2- The employee responsible for the management of current accounts must verify the validity of the data, the adequacy of the balance and the validity of the signature.
- 3 - The documentary film (transfer notice), which shows the amount of transfer, commissions and expenses of several images.
- 4- The employee must notify the customer of the transfer.

The accounting entry required is as follows:

A. Transfer from a current to a current account in the same bank (Arab bank of Jordan, 2019).

Date	Account	Debit	Credit
Xx/xx/20xx	Current accounts	JD xxx	
	Current accounts (Beneficiary)		JD xxx

B. Transfer from current to current account in other branch:

Date	Account	Debit	Credit
Xx/xx/20xx	Current accounts	JD xxx	
	The branch		JD xxx

C. Transfer from a current account to a current account in another bank:

Date	Account	Debit	Credit
Xx/xx/20xx	Current accounts	JD xxx	
	Bank		JD xxx

- For example:

D. Requests for transfer from current accounts to current accounts in one of branches is 5000 dinars. (Arab bank of Jordan, 2019).

Number	Account	Debit	Credit
1	Current accounts	JD5,000	
	The branch		JD5,000

Transfers received by the Bank have the following accounting entry:

A. The transfer from the branch to current account of the client:

Date	Account	Debit	Credit
Xx/xx/20xx	The branch	JD xxx	
	Current accounts		JD xxx

B. the transfer from another bank to the current account of the customer:

Date	Account	Debit	Credit
Xx/xx/20xx	Bank	JD xxx	
	Current accounts		JD xxx

- For example:

Transfer requests from branches to current accounts amounted to 7000 Dinar.

Number	Account	Debit	Credit
2	The branches	JD7,000	
	Current accounts		JD7,000

3.4.2 Accounting operations of the department of foreign banking operations

Documentary cycle for outgoing and incoming transferring:

- E. The client submits to the concerned officer in the department of foreign operations and fills out the data in the form for the service required. The department agrees to perform the required work, delivers a copy of the notice to, and sends another copy to other competent departments concerned to implement the process, such as the treasury or current accounts, to undertake the execution and implementation the aspect of this process is procedural and accounting (Arab bank of Jordan, 2019).
- The department organizes a daily statement of the transactions executed by it at the end of the day and transfers it to the internal audit department to audit the incoming transactions and the marking Approval.
 - The internal audit department converts the disclosure that has been returned to the accounts section general to make necessary accounting entries and evidence in the public registry and the general professor.

The accounting entry required is as follows:

1- Outbound remittances

A- Outbound remittance local

- From the bank (branch)

Date	Account	Debit	Credit
Xx/xx/20xx	Current account (Client)	JD xxx	
	Special account for remittance		JD xxx

A. - From the Department of remittances (Arab bank of Jordan, 2019).

Date	Account	Debit	Credit
Xx/xx/20xx	Special account for remittance	JD xxx	
	Central bank of Jordan		JD xxx

B- Remittances issued by the bank for worldwide

- From the bank (branch)

Date	Account	Debit	Credit
Xx/xx/20xx	Current account (Client)	JD xxx	
	Special account for remittance		JD xxx

- From the Department of Remittances

Date	Account	Debit	Credit
Xx/xx/20xx	Special account for remittance	JD xxx	
	Correspondent bank or Beneficiary bank		JD xxx

2- Incoming remittance

A. Incoming remittance (Local)

-From the Department of Remittance

Date	Account	Debit	Credit
Xx/xx/20xx	Central Bank of Jordan	JD xxx	
	Special account for remittance		JD xxx

- From the bank (branch)

Date	Account	Debit	Credit
Xx/xx/20xx	Special account for remittance	JD xxx	
	Current account (Client)		JD xxx

B. Incoming remittance (worldwide)

- From the Department of Remittance

Date	Account	Debit	Credit
Xx/xx/20xx	Correspondent bank	JD xxx	
	Special account for remittance		JD xxx

- From the bank (branch)

Date	Account	Debit	Credit
Xx/xx/20xx	Special account for remittance	JD xxx	
	Current account (Client)		JD xxx

3.4.3 Accounting treatment of credit card transactions

The accounting treatment for the use of the card is not different in spite of different and varied forms, but is the withdrawal of funds from the account regardless of the quality of expenses that the payment of the card account.

Taking into consideration the Bank's collection of the commission and the payment of withdrawals from the account immediately or within one month's grace period without interest and then paying the interest for the period exceeding the period allowed for payment. In all cases, copies of the invoices and documents relating to the withdrawals shall be sent to the owner's address (Fasoli, 2014)

In addition, the account can be settled through its debit or current account of the cardholder by the bank or issuing institution as on Visa and MasterCard cards.

- For example

Total external remittances received, paid in cash 60000 JD, commission 0.5%, total external remittances issued and discount of current accounts is 80,000 dinars and 41% commission, which settled transfers with correspondent banks (Arab bank of Jordan)

Number	Account	Debit	Credit
1	Correspondent banks	JD60,000	
	External incoming remittances		JD60,000

Number	Account	Debit	Credit
2	External incoming remittances	JD 60,000	
	Commission		JD 300
	Treasury		JD 59,700

Number	Account	Debit	Credit
3	Current accounts (Client)	JD 80,200	
	External outgoing remittances		JD 80,000
	Commission		JD 200

Number	Account	Debit	Credit
4	External outgoing remittances	JD 80,000	
	Correspondent bank		JD 80,000

3.5 Legal Issues and Restrictions in Transferring Money in Jordanian Banks

The phenomenon of money laundering and the financing of terrorism is one of the most worrisome criminal phenomena in the world currently because of its organic link to organized crime, in particular the drug trade. The perpetrators of these crimes have benefited because of developments in ICT and transport, the volume of business activities, resulting in a large flow of goods and services between different countries.

Terrorism and money laundering are two sides of a single coin there is a close connection between them, and studies have shown that most of the financing of terrorist operations comes from money laundering (Al-Nuemat, 2014)

Money-laundering has been exploited by the integration of international capital markets and the technological development of banking and financial systems, which have become their main conduits for the transfer and transfer of funds to be washed anywhere in the world and thereby conceal their illicit origin (Kumar, 2012).

Because commercial banks are a haven for most money laundering and terrorist financing offenses, the role banks play in controlling suspicious transactions by moneylenders is the most practical tool.

This requires clear actions and policies aimed at protecting the Bank's reputation and avoiding operational risks that may arise because of the Bank's use as a money-laundering channel (Kumar, 2012).

The local laws and the instructions of the monetary authorities issued in this regard constitute a general framework that must be compatible with what is necessary for its implementation, in addition to the global requirements and international laws that set conditions on internal and external banking and relations with correspondent banks (Al-Rimawi, 2004).

Due to these reasons, since Jordan is a member of the FATF, a number of countries are prohibited from dealing with them financially or there are determinants to deal with them financially and under some of these countries (Central bank of Jordan, 2016):

Table 3.1: Restrictions imposed on some countries

The country	Restrictions
North Korea	It is prohibited to deal with all financial institutions and companies operating and licensed in North Korea and those represented by or on behalf of North Korea, including the prohibition of working relations and operations from or to North Korea if they are natural or legal persons and sever all correspondence relations with financial institutions operating and licensed.
Iran	The need to strengthen due diligence measures towards working relations with the State of Iran, including the financial operations carried out therefrom, both for the benefit of natural and legal persons, and to take account of the correspondence with the operating and licensed financial institutions in Iran and in accordance with the provisions of combating the financing of terrorism, And FATF Recommendation 19, where steps to be taken against Iran by FATF will be followed.
Syria	The need to strengthen due diligence measures towards labor relations with those countries, including financial operations carried out from or to those countries, both for the benefit of natural or legal persons and taking into account relations with the financial institutions operating and licensed in those countries, AML / And instructions issued thereunder.
Serbia	
Tunisia	
Ghana	
Botswana	
Ethiopia	
Yemen	
Pakistan	
Sri lanka	
Cambodia	

When we want to make a transfer, we must know that not all currencies are allowed around the world. There are different currencies in the world, including a strong currency (the popular power of its popularity in the world and not its high value currency against other currencies), including the weak (Abu Nassar, 2016).

The value of the currencies varies between them. There are also country-specific currencies or federal currencies for countries belonging to economic associations.

The main currency used in Jordan is the Jordanian Dinar (JD). Some currencies can only be used to transfer funds such as the US Dollar, the Euro and the Pound. Each currency has a different exchange rate with the Jordanian Dinar. The first currency

(the US Dollar) is fixed according to (JD) \$ 1.41, the euro is equal to 1.25, and the GBP currency is equal to 1.07 (Central bank of Jordan, 2016).

As for the process of depositing or transferring money in accordance with the AML / CFT Law, and in as per the directions of the Central Bank of Jordan, when transferring or depositing 10,000 or more dinars to the equivalent of 14,104, individuals must provide evidence of the source of the funds and their control and the companies. The amount transferred or deposited shall not exceed 50,000 dinars, equivalent to 70521 dollars. If so, the source of funds must be proven (CBJ, Compliance, 2017).

There are those who make financial transfers through banks, including people, including companies and institutions. These companies and institutions are divided into several types according to the nature of their activities. Here we will mention the types and reasons that require transportation. The transfer also requires the source of funds and the purpose of the transfer.

3.5.1 Types of individuals and entities that involve in money transfer

Persons: They are natural persons who do not have any commercial goals and the purpose of the transfer is family assistance and expenses or to pay the cost of the school to one of his children and their salaries and wages with the submission of the necessary papers and prove the purpose of the transfer (Abu Nassar, 2016).

Companies and Organizations: Companies that carry out transport operations have a commercial purpose and classification of companies according to their business activity either to organizations, they are often charitable organizations or to provide assistance to refugees or to support scientific research and must submit papers and evidence for this purpose. Transfer. In addition, there are several types of companies:

- Services companies
- Transportations companies
- Import and export companies
- Investment companies.

3.5.2 Source of money and the purpose of the transfer

When transferring funds, there must be evidence that the purpose of the transfer must be provided by the transferor. When depositing the funds in the customer's account, it should be evidence of the source of funds at the individual level if the deposit amount exceeds 10,000 dinars, if the company has an amount of 50,000 dinars or more, which is equivalent to 70,521 dollars, the source of the money must be proven.

The source of funds may be for individuals, for example, end of service, compensation, sale of land or sale of a vehicle, the money source is mostly from the company by the company (Capital bank of Jordan, 2018).

3.5.2.1 Source of the money and the purpose of the transfer by individuals

- Invoice payment and purchase
- Standing orders
- Personal donations
- Family assistance and expenses
- Saving and funding account
- Heritance
- End of service indemnity

3.5.2.2 Source of the money and the purpose of the transfer by companies

- Investment revenue
- Brokerage investment
- Insurance
- Subscriptions to international non-monetary organizations
- External investment
- Freight
- Private sector education
- Public sector exportation
- Private sector exportation
- Public sector importation
- Private sector importation
- Financial service
- Real estate

- Cultural, Educational and Entertainment service

3.6 Foreign Trade Transactions

Foreign trade plays an important role in influencing the course of most international economies by bridging the need for goods and services not available locally through imports, enabling them to dispose of their surplus goods and services through export activity, and generally affecting production, income, employment, and financial markets (Davis, R., 1954).

The liberalization of international and regional trade has contributed to the increase in the level of interaction between countries of the world and has led to an increase in the volume of commodity and monetary flows between States, which has increased their impact on the various economic aspects of these States, particularly with regard to economic efficiency and social welfare.

The trade agreement can be defined as an "agreement between two or more countries to complete specific measures to encourage trade between them." These measures may include all goods and products or are limited to specific goods agreed between the parties to the agreement (Abdullah, 2018).

The barriers imposed on the exchange of goods between States, which take many forms Quantitative barriers such as quotas, customs duties on imports from other countries or excessive restrictions such as strict standards.

The first trade agreement dates back to 1860 between France and England, where they agreed to exchange the most favored nation (i.e., to give each country the best treatment so that no other country would be given more benefits than the most favored nation), Followed by several agreements between France and other small European countries that formed a customs union among them at the time (Abdullah, 2018).

Trade agreements are divided into two types:

Bilateral agreements: Agreements concluded by any neighboring or non-neighboring States with a view to removing or mitigating obstacles affecting the movement of trade between them.

Multilateral agreements: Agreements that are made by more than two countries. They also aim to remove or mitigate the obstacles that limit the flow of goods and services between them, so that the exemptions or preferences granted to all the participating countries (Abdullah, 2018).

In view of the positive effects of these agreements in the long term, Jordan has held many bilateral and multilateral agreements. In a record time, Jordan has been able to enhance its economic and trade relations with Arab and foreign countries by acceding to the Greater Arab Free Trade Agreement Bilateral free trade with Arab countries, and the Association Agreement with the European Union and the Free Trade Agreement with the United States of America, having successfully completed its accession to the World Trade Organization, as well as joining free trade agreements with EFTA and Singapore recently (Abugamea, 2005).

Jordan has also taken successful steps in signing a number of agreements to protect and encourage investment, and to prevent double taxation with a number of Arab and foreign countries in order to provide an attractive environment for investments. It signed 32 bilateral investment agreements and 29 preventing double taxation with different countries of the world. (Behnam, 2018).

3.6.1 Definition of foreign trade transactions

Transactions that Including import and export operation related to the exchange of goods and services, creative products, etc., where at least one of the parties is a foreign national or a foreign legal person. The main types of foreign trade transactions are sales contracts, labor contracts, transport contracts, agency contracts and commissions (Kamal, 2015).

In addition, can also be defined, as a collection of activities that depend on the trade of products between a given country and other countries. They are defined as the exchange of services, capital and commodities through international or regional borders. Foreign trade is an important part of the economy of most countries. Their gross domestic product (Monarch, 2015).

3.6.2 Laws and Regulations of the Central Bank of Jordan about foreign trade transactions

The Central Bank of Jordan shall abide by the application of the Jordanian Law and the laws and instructions issued by the Central Bank of Jordan shall apply to all Jordanian banks licensed by the Central Bank of Jordan (Al-Hiyari, 2014),

Law No. (20) For the year 2018 law guaranteeing rights in movable funds.

Article 1

This law shall be called the Law of Guaranteeing Rights with movable funds for the year 2018 and shall come into force thirty days after the date of its publication in the Official Journal.

Returns in this law mean in kind or in cash derived from the use of the collateral, the use or replacement thereof, including the benefits or the result thereof, including compensation for loss of value or damage or any other compensation, not including the proceeds of execution under the provisions of this law.

Article 3 (A)

The provisions of this Law shall apply to transactions and contracts, which include a condition to ensure the fulfillment of an obligation to arrange a security right over a debt, right or money transferred therein:

Transferring convertible bonds through delivery or endorsement evidencing the maturity of the amount or ownership of goods, including commercial paper, bank deposit certificates, shipping documents and goods deposit papers

Article 4

A payment instrument is any electronic means from the Central Bank that enables its holder to make electronic payments or transfer of funds as follows:

(A) Prepaid: Issued by the Bank or the Payment Service Provider authorized to do so to the Client with his money

(B) Credit: issued by the bank or the payment service provider licensed to the client without a balance in the customer's account.

(C) Debit: issued by the client bank if there is a balance in the customer's account.

Licensed banks to sell foreign currencies to their customers against the dinar a long-term sale to cover the imports to the Kingdom.

Article 8

Jordanian means of payment and Jordanian bonds may be entered into the Kingdom in accordance with instructions issued by the Central Bank.

Article 9 (A)

Any person resident in the Kingdom may not carry out any of the following transactions except in accordance with instructions issued by the Central Bank:

- (A) The introduction of gold into the Kingdom or its possession or removal thereof, and the provisions of this paragraph shall also apply to non-residents.
- (B) To pay, borrow, grant or transfer any foreign currency or to open a credit to a non-resident or its agent.
- (C) To issue any Jordanian currency or any means of payment in the Jordanian currency or to borrow, transfer, or transfer credit to a non-resident or his agent.
- (D) Directing any means of payment in foreign currency outside the Kingdom.
- (E) The purchase or possession of foreign direct or indirect shares or bonds.
- (F) Transfer of Jordanian or foreign bonds or shares to a non-resident or his agent.
- (G) Issuance of a financial guarantee or a financial obligation, conditional or unconditional, for the benefit of a non-resident or his agent.
- (H) To keep the Jordanian currency accounts in favor of a non-resident or his agent.

Article 9 (B)

The licensed banks shall provide the Central Bank with the following monthly statements:

- (A) Total exports of Jordanian currency, coins, and foreign payment methods.
- (B) Total loans granted and investments abroad in foreign currency.
- (C) The total payments made from resident accounts in foreign currency.
- (D) The total of the imported goods imported into the Kingdom and paid in return for JD.

(E) Total values of open credits and amounts actually transferred for the importation of goods into regions or transit-by-transit. And. Total transfers to cover unforeseen payments made against the Jordanian Dinar.

(G) Disclosure of accounts opened with their correspondents abroad.

The International Chamber of Commerce (ICC), a Paris-based non-governmental organization established 1919 to represent the business community at the local and international levels.

Promotes international trade based on free competition, harmonizes exporters and importers and provides growing services to clients in different sectors such as banks Traders, lawyers, transport and insurance companies, and under the supervision of various bodies, including the provision of assistance and advice, including arbitration and reconciliation, including the formation of customs and the issuance of books and publications has established (Jordanian law, 2012).

The rules and norms of the International Standard Letter of Credits as banks are engaged in the service or financing of such operations, we expect to be free of any disputes that may arise between the parties to the contract of sale.

Refer to the article 34 from UCP600 the Bank is not responsible for the following:

- (Form / adequacy / accuracy / authenticity / falsity / legal effect) of any letter of credit or of the general or special conditions mentioned in the letter of credit or added to it.
- (Specifications / quantity / weight / quality / condition / packaging / delivery in the quality of goods, services or other achievements of any letter of credit.
- (Good faith / business / negligence / solvency / delivery ability) the consignor, the carrier, the intermediary, the recipient, the insured person or any other person. "

ICC's Banking Committee has developed standard international rules and standards so that the contents of any of its articles do not conflict with the content of any commercial law in the countries of the world. Otherwise, the articles of laws in different countries prevail over the articles of the International Standard Rules and Customs for Letter of Credits.

3.6.3 Types of foreign trade

- **Import:** is one of the processes in which goods and services are purchased from a foreign country, for sale in local markets.

In another meaning Importation is the purchase of goods or products from one country to another in order to cover the volume of demand in the domestic market. This process is carried out on a daily basis on a large scale, because demand rates for various products have increased significantly and countries are no longer able to be satisfied with what they produce, is done through companies, offices and individuals, but it is necessary to extract the necessary licenses to practice the work legally (Abu-Rub, 2000).

- **Export:** Export is the activity by which the goods to be exported or the economic services provided by the State to another country are to be sold to meet the needs of other countries of goods and others and that there is surplus in the exporting country. This process is carried out on a daily basis and widely on various products, the reason for this is that the demand for different products has increased dramatically and countries are no longer satisfied with what is being produced, and the export process is carried out through companies, offices and individuals (Abu-Rub, 2000).

Foreign trade requires the flow of goods from the seller to the buyer and the payment from the buyer to the seller, the seller wishes to export his goods, but he needs a means to ensure that the buyer fulfills his obligation properly and that the buyer wishes to import specific goods but needs a means to ensure that the goods are identical (The seller and the buyer) are far apart and do not know each other and have no idea of the fact of their financial position.

Therefore, the letter of credit as a means to ensure the seller the right to receive the price of the goods that he shipped and sent to the buyer in a fundamental manner, the buyer has the right to receive the goods that he paid for after confirming the shipping and sending to him (Abu-Rub, 2000).

The letter of credit of the important banking procedures in international trade and the effective way to achieve the confidence and confidence of the commercial parties in carrying out the import and export operations (Behnam, 2018).

3.6.4 Definition of the letter of credit

Is a written pledge of the bank at the request of its importing customers in favor of the Issuers the value of the imported goods shall be paid or accepted as a Draft (Banknotes) once the bank receives or sends the documents for the shipment of the goods to the country of the importer and the fulfillment of all the conditions of accreditation (Rabah, 2015).

In addition, L/C It is a conditional bank guarantee that undertakes to grant the issuer a certain amount of money, goods or services if the pre-specified documents that have been loaded or delivered are delivered within a specified time according to the importer's request.

A letter of credit, widely used as a means of payment and guarantee in international trade, is a transaction that protects both the importer and the exporter.

The Issuer shall ensure receipt of the amount after delivery of the goods if it delivers the documents in accordance with the terms of the letter of credit (Najafi, 2011).

The importer shall ensure that the exporter does not pay until the delivery is complete and payment will be made only after delivery of the relevant documents. It is a method of payment in which the exporter, after sending the goods, delivers the documents relating to the goods to the bank provided that the bank collects the funds.

3.6.5 Parties related to the letter of credit

There are three parties to letter of credit, which are the main parties, and a fourth party comes along with them, the bank that provides advice, confirmation or reinforcement (Arab bank of Jordan, 2019).

- The issuing bank (Importer bank): It is one of the main parties to letter of credit The latter issuing a documentary credit for the exporter pledging to pay the value of the transaction between the exporter and the importer in accordance with the terms of opening documentary credit, the issuing bank is considered to be the importer's bank where it acts on its behalf.
- The applicant of letter of credit (Importer): May be called the buyer regardless of the denomination, it represents the party that submits to a local bank requesting the opening of a credit to complete the trade transaction between him and the exporter.

However, until this is achieved, he must review all the necessary documents to complete the procedures for opening the credit (documents specified by the bank). After all the required documents have been completed on the basis of the formal invoice received by the importer from the exporter, the importer of the bank requests the opening of the documentary credit for the issuer at a specified amount and for a specified period against specific goods that are specified in detail In terms of quantity, quality, price, etc. (Arab bank of Jordan, 2019).

According to the agreement between the importer and the bank, the documentary credit is opened, which represents a contract between them under this bank.

The bank becomes a deputy for the client in completing the commercial transaction between the seller and the buyer according to the agreed terms. He is also responsible for implementing all conditions and controls and is obliged to pay the full amount of the transaction to the beneficiary The conditions required, and in the manner agreed upon by the contract.

- Exporter (Beneficiary): The source may be a person, a group of persons, a company, etc. In all cases, the L / C may be issued on behalf of the beneficiary directly or on behalf of a bank operating in his country.
- Exporter bank (confirmed): In certain cases, the booster bank may appear as one of the main parties to the credit. This is achieved when the terms of the contract between the seller and the buyer require the enhancement of the credit, in such circumstances; the credit will explicitly include this requirement. The issuing bank must inform the correspondent bank in the exporting country, if the correspondent bank agrees to it that is called a booster bank (Arab bank of Jordan, 2019).

3.6.6 Letter of credit documents

The importer of the bank which opened the credit "importer bank" must specify the document required from the exporter (seller), which the importer bank requests from the issuer through the issuing bank and is called "shipping documents" (Bellaouar, 2014).

L / C documents can be divided into main documents and sub-documents.

3.6.6.1 First: main documents

- Commercial invoice: It is one of the documents required for the L / C process because it guarantees the validity of the commercial contract, which binds the exporter and the importer. This is the first main document because of its importance. It indicates the quality of the goods, their size, quantity and the agreed price. The bank should examine them carefully and verify the full name of the exporter and importer, the quality of the goods; the bank must also verify the signature of the exporter.

- The Commercial Invoice is between the commercial contract and the provisions of the letter of credit, which embodies the commercial contract between the exporter and the importer.

- Bill of lading: It is a document issued by the carrier of the goods (responsible for the ship or aircraft) for the benefit of the importer in which it is recognized that the goods have been delivered for transfer and is considered as a legal instrument, the most important of these bills is the marine bill of Lading which is the most widely used in international trade (Bellaouar, 2014).

- Insurance Certificate: It is a document explaining the risks to be covered and issued by insurance companies and this is according to the importer's request, and here the banks are not responsible for any risk did not insure and take the insurance certificate as it is without any responsibility, Therefore The terms should not be used Not specified description Such as "ordinary risk" or "usual risk".

3.6.6.2 Second: sub-documents

After a review of the previous three documents, which are considered as basic or essential documents in the opening of the credit, there are other documents that the importer can request to negotiate, to ensure that his goods will reach him in the best of circumstances, such as (Bouguerra, 2014):

- Certificate of Origin: It is a document issued by authorized entities such as the Chamber of Commerce or through some government entities, the origin of the goods (the country of origin of the goods) and the name and address of the manufacturer of the goods if the certification so requires.
- Health certificate: Showing that these goods are free of diseases and issued by specialized bodies.

- **Certificate of Analysis (Quality of Goods):** It is a certificate issued by specialized laboratories where it analyzes and examines samples of the goods, especially where the installation of materials in them is as important as medicines.
- **Packing document:** This document is usually requested in non-identical goods that are based on weight and to know the contents of each disposal such as household items, spare parts, and clothing.
- **Certification Weight:** Where the net weight and the gross weight of the goods are determined in the absence of specifying the terms of accreditation of the body that should issue this certificate, the banks may accept the weight certificate as submitted. If the certification requires weight certification or a weight statement that appears to have been added by the carrier or its agent to the transport document unless the specific provision specifically provides a weight statement as a separate document.
- **Customs Documents:** If the text is in the letter of credit, provide some of these certificates without making certain conditions on how to obtain them, the Bank accepts these certificates or the certificate presented to it as it is without liability.
- **Certificate of Export Permit:** The document is a certificate showing that the goods have been legally exported from their home country and facilitate the customs duties.

3.6.7 Types of letter of credit

Table 3.2: Types of Letter of Credit

Types of Letter of Credit	Clarification
According to the ways of meeting the value to the exporter	1- Sight Letter of Credit 2- Deferred Letter of Credit 3- Advance Payment Letter of Credit
According to the Bank's commitment and pledge	1- Revocable Letter of Credit 2- Irrevocable Letter of Credit 3- Confirmed Irrevocable 4- Unconfirmed Irrevocable Letter of Credit

Table 3.2 (continued): Types of Letter of Credit

Types of Letter of Credit	Clarification
According to the terms of implementation of the accreditation	1- Transferable Letter of Credit 2- Divisible Letter of Credit 3- Indivisible Letter of Credit 4- Revolving Letter of Credit
According to the nature of foreign trade transaction	1- Import Letters of Credit 2- Export Letters of Credit

First: According to the ways of meeting the value to the exporter (AJIB, 2019):

- Sight Letter of Credit: According to this type of credit, the correspondent bank - the exporter bank - makes the amount of credit immediately payable to the beneficiary against the submitting of the documents, and then returns to the L / C Bank of the importer.
- Deferred Letter of Credit: According to this type of credit, the beneficiary "exporter" withdraws Drafts (Banknotes) on the importer with a value of Goods are payable after a specified period to be agreed upon.
- Advance Payment Letter of Credit: the recipient is entitled to withdraw in advance certain amounts that are subsequently deducted from the value total of goods.

Second: In accordance with the Bank's commitment and pledge

- Revocable L / C: According to this type of credit, the importer may cancel it at any time prior to the shipment of the goods without Notification of the exporter.
- The L / C bank can cancel it at any time if the importer fails to comply this type is uncommon in the operational life of the lack of demand by exporters.
- Irrevocable L / C: According to this kind of credit, the bank cannot cancel, reverse or modify it without the beneficiary's approval or after the expiration of the guarantee period specified at the opening of the credit. The exporter or importer can only cancel it if the parties agree otherwise. This type is the predominant use for high degree of warranty (AJIB, 2019)
- Confirmed Irrevocable: According to this kind of credit, it cannot be cancel and includes the first two obligations to meet the value of the goods from the

crediting bank and the second from the correspondent bank. The amount of the credit, and thus this type of credit, provides more guarantee, which leads to increasing the trust of the source in the importer.

- Unconfirmed Irrevocable L / C: In accordance with this kind of credit, the correspondent bank does not add the amount of the credit to the bank's pledge of credit. The role of the bank is mediator (Broker) whereby it transfers the credit to the beneficiary without committing to pay the obligation (AJIB, 2019).

Third: According to the terms of implementation of the accreditation (AJIB, 2019):

- Transferable L / C: According to this kind of credit, the beneficiary is entitled to transfer the credit or part thereof to another beneficiary or more the Bank shall accept, at the request of the issuing Bank, the documents submitted by a non-beneficiary the original the beneficiary whose name is mentioned in the credit.
- Divisible L /C: According to this kind of credit, the exporter may ship the goods in installments during a period of time Credit, and in return receives the value of each payment from the correspondent bank for each shipment being exported in exchange for delivery of shipping documents to the bank.
- Indivisible L / C: According to this kind of credit, the exporter is committed to ship the goods at once and is paid once as opposed to delivery of shipping documents.
- Revolving L / C: Depending on this kind of credit, it is automatically renewed both in terms of amount and duration, accreditation is accumulated so that the remaining amounts not used during the period can be added to the following periods, it may be unassembled and in this case the adoption of each period is considered separate from the other periods.

Fourth: According to the nature of foreign trade transaction (AJIB, 2019):

- Import Letters of Credit: According to this type of credit, local banks will open credits at the request of local importers for the benefit of exporters abroad.

- Export Letters of Credit: According to this type of credit, foreign banks request from local banks to open credits to local exporters at the request of overseas importers.

The appropriation section of the document is made up of these two kinds of L /C. In the event of a large workload, the division can be divided into two separate sections, each of which is assigned to the functions of one of the two previous types.

3.6.8 Advantages of the letter of credits

3.6.8.1 Advantages related to financing facilities

- Meet the importer's desire to finance the value of his purchases through credit and meet the desire of the seller to obtain the value of sales in cash.
- It helps to finance specific transactions in accordance with the specifications agreed upon with the Payment Promise, thereby reducing the degree of risk that the exporter and the importer may encounter together.
- In many cases, the importer's letter of credit allows the purchase of relatively cheap prices compared to the prices that could have been paid in case of purchase for a term, which is in accordance with long-term purchase terms.
- It also helps in certain cases to cancel or reduce the commercial credit risk below, and this is achieved when the credit is strengthened and in this case irrevocable or shortfall.

The issuer under these conditions is certain that the value of his sales in cash and in accordance with the conditions of the agreement for consideration the importer's willingness and ability to pay (Dolan, J., 2007).

- In addition to the above, the letter of credit (L / C) allows reduction of risk.

3.6.8.2 Advantages related to the providing of legal protection

L / C is formulated, organized and reviewed through a set of legal, administrative, and regulatory decisions, which collectively constitute legal protection for all parties dealing which is achieved through (Dolan, J., 2007):

- Legal legislation prevailing in the countries of exporter and importer.
- Civil law in countries of import and export.

- The prevailing customs and traditions reflected in the general and constitutional law of the Contracting States.

3.6.8.3 Advantages related to credit facilities

L / C is the most secure international payment instrument, as it allows credit facilities to assist in the type of international exchange through (Dolan, J., 2007):

- The exporter shall ensure that the importer does not withdraw. This is in accordance with the agreement concluded in the commercial contract between them, as well as the period agreed upon in the accreditation.
- The exporter has a guarantee - The goods that have been contracted to be exported will be collected after delivery of the shipping documents directly to the bank through the credit document.
- As for the importer, he does not pay the value specified in the contract with the exporter mentioned in the basis of the credit, unless the exporter provides documentation indicating the good performance of the obligations.

3.6.9 Types of credit risk

- Risks of importer (Abu-Rub, 2000):
 - Commercial risks relating to goods in terms of their received, and their conformity with the terms of the contract or in terms of exposure to undue damage.
 - The risk of procrastination in payment by the insurance company in occurs of an accident.
 - The importer may also receive documents with non-conforming data (the weight of the goods), the number of packages, the financial value, the deadlines, the validity period, and the dates of shipment (Abu-Rub,2000).
 - Financial risks related to exchange rate fluctuations when an importer makes a trade transaction, the value of the local currency is limited to a certain amount, but after all the procedures deteriorate, the importer is forced to pay more than he expected (Abu-Rub,2000).
 - The risk of requesting additional expenses for delivery by the issuing bank for Accreditation or by the Transfer Officer in the occur of an emergency requiring additional fees.

- Exporter Risks (Abu-Rub,2000):
 - The exporter may be subject to procrastination or attempt to complicate matters by the importer, by requiring documents and documents that are not relevant to the process or have not been agreed upon before so he must be vigilant.
 - The refusal or inability of the State or the client parties to make payment on time.
 - Financial risks related to the devaluation of the currency agreed to pay in relation to the currency of the country.
 - Political risks are wars and tensions that prevent the importer from fulfilling his obligations.

3.6.10 Measures to be taken before and after the opening of accreditation

Before the opening of the accreditation, the documents must be specified and accurately described, the description of the content, as well as the dates specified for their validity and for the goods should be described briefly but accurately enough in terms of quality, specifications, unitary and total price, quantity etc. (Abu-Rub, 2000).

The exporter must be ascertained as the definition of the conditions of international trade provided for in the Uniform Rules and Customs.

As well as making sure that, the documents submitted are in conformity with the specifications mentioned in the contract, showing the accreditation number, and ensuring that the dates related to the transaction, especially the date of shipment and insurance (Bellaouar, 2014).

For the use of letter of credit as a means of payment, the importer shall not have to use directly the expensive method such as irrevocable and confirmed, especially if the value of the transaction does not justify it. It should also be noted that when the letter of credit method is used irrevocably, Confirmation borne by the importer.

The Bank shall oppose any action that would impose excessive details upon the opening of the credit or when amended, this clarification is very important because the importer often tries to complicate the exporter by requiring documents that are

not important to the process, so the exporter should also address this exporter and ask for simplification in case of complexity (Bellaouar, 2014).

The issuing bank must ensure that the financial condition of the importer is strong and that he has a reputation in the market. He may have to contact some of the other banks that have already dealt with the client concerned to determine his trust, and sometimes to examine the exporter (Bouguerra, 2014).

In addition to this, a bank must verify the substantive conditions before opening the credit including:

Political conditions related to political stability in the country of importation, financial conditions to know the financial situation of the country of importation and to establish a balance driven by foreign affairs, and the extent of the importer's ability to meet his foreign obligations in the case of international control over all foreign transfers and transfers of cash (Elsheikh, 2008).

Economic conditions knowledge of the economic situation of the country of import includes the main sources of income; Commercial terms include the trade and credit facilities of the importer's competitors and the strength of the commercial competition enjoyed by the exporter.

Financing terms that mean the importer's financial capacity, resources and financial position and Regulatory conditions governing the organization of the management of the business through knowledge of the system of the importer, its status, commercial reputation and its commercial and credit relationship with other institutions (Elsheikh, 2008).

3.6.11 The stages of achieving the L / C

In order to implement L / C, the customer applies for the opening of the letter of credit and this after the agreement with the issuer on how to pay and the terms of delivery and type contractual Accreditation, in order to open the credit, the buyer must submit a request in his bank to open the credit with the required documents (Zimmermann, 2008).

This request will be in the form of a form submitted by the bank to fill it with data that satisfies all the conditions and the necessary information about the importer,

exporter and goods to be imported, and the type and form of accreditation agreed upon and sign the applicant to open the accreditation.

When the bank verifies the validity of the signature and the required documents, and if all are in accordance with the conditions, the bank opens the credit and then informs the issuing bank to open the credit, and the latter in turn notify the exporter that the credit has been opened for him (Alesina, 2008).

The process of opening credit is also conducted through; agreement on terms of delivery, payment and type of accreditation in the form of a commercial contract between importer and exporter, the importer shall then submit an application for opening the credit in favor of the exporter to the bank to be dealt with it.

In addition, the bank's notice of approval of the opening of the credit for the exporter and the Issuer Bank.

3.6.12 Settlement of L / C

After the previous review of the stage of opening and establishing the credit, and after careful examination of all the documents submitted, the payments necessary for the implementation of this credit will then be settled, starting with the shipment of the goods until the financial settlement, which varies according to the type of approved form of credit, with it (Alesina, 2008).

In general, letter of credit conditions would include the manner in which letter of credit payments would be settled and two types of payment settlement would be distinguished:

- 1-Settlement by payment

Settlement by payment is achieved through the following steps:

- Implementation of the conditions of sending and shipping the goods according to what is agreed in the commercial contract and offset by the receipt of the exporter or shipper the bill of lading from the carrier.
- The exporter shall deliver the required documents indicating the shipment of the goods (bill of lading) to its bank (the Issuer Bank).
- After making sure that the documents submitted to the Issuer Bank conform to the terms of the credit, it pays the exporter the value of the transaction.

- Documents are sent to the credit bank through the issuing bank
- Upon confirmation of the validity of the submitted documents, the Bank shall make the payment of the dues determined by documentary credit to the Issuer Bank (confirmed) and in the manner previously agreed.
- The documents are sent and delivered to the importer by the issuing bank
The importer shall pay to the bank for credit (Issuing bank) in the manner previously agreed.
- 2-Acceptance settlement

The process of settlement of payments by acceptance through the following steps (Arab bank of Jordan, 2019):

- The exporter shall send and ship the goods according to what is agreed in the commercial contract to receive the shipping document from the carrier.
- The exporter shall submit the confirmed documents for the shipment of the goods to its bank (the amount and the surety), provided that such withdrawal is accompanied by the draft drawn on the bank.
- After confirming that the documents comply with the L / C requirements, the Bank will accept the drafts and return them to the exporter.
- The bank sends the documents to the issuing bank to confirm the acceptance of the confirmed bank drafts (Banknotes).
- The Issuing Bank shall, after confirming the conformity of the documents with the terms of the letter of credit settle the debt due in accordance with the agreed method.
- The Issuing Bank shall send the documents to the importer.
- The importer pays the outstanding debt (the value of the bill) in the agreed manner.

3.6.13 Responsibilities of banks in the scope of letter of credit

The responsibility of the Bank when it receives incomplete or ambiguous instructions relates to the communication of a credit, enhancement or modification of a credit. The notification shall be communicating to the Beneficiary only for the information and without any liability (Haddad, 2017).

The initial notice sent by the Bank to the Beneficiary shall be clear, specific and explicit; indicating that the notification is for information only and there is no responsibility for the Bank's credit informer.

The Bank shall notify the Issuing Bank of the action taken and request it to provide it with the necessary information. On the other hand, the L / C is responsible for providing the required information without delay or delay, as the confirming bank or the amount of the credit will not promote, Documentary accreditation only after receipt of the required information in Fully and clearly (Haddad, 2017).

The various parties to the L / C are responsible for the thorough examination of all documents submitted and to ensure that they comply with the terms of documentary credit and in accordance with international banking standards and standards.

Any discrepancy in the documents renders them incompatible with the terms of the accreditation. In addition, the period of examination of the documents shall not exceed seven working days from the day following the receipt of such documents (Maziad, 2010).

The responsibility of the issuing bank and the bank appointed in the case of acceptance or non-acceptance of documents occurs when the bank authorized the authorization of another bank to pay or undertake to pay on the date of maturity or the circulation of documents that appear to be in conformity with the terms of accreditation.

Both the issuing Bank and the confirming bank are committed; to make payments to the designated bank that made the payment or undertake to pay for the term or before the withdrawal or circulation. Moreover, to accept the submitted documents (CBJ, 2016).

If the issuing bank, or confirming bank (if any), or the bank appointed to act on their behalf, refuses the documents, it shall promptly notify the party from which the documents were received before the end of the seventh day of the date of receipt of such documents. The documents were refused, and the bank would keep those documents at the disposal of the applicant or return them to him (Yassin, 2009).

In this case, the L / C bank (Issuing Bank) or the confirming bank (if any) is entitled to require the sending bank to refund the amounts paid and interest, but what happens if the bank filing the documents in breach of the terms to pay the value or an

undertaking to pay on the due date or before withdrawals or circulation Documents, but in custody or against a letter of guarantee due to differences in documents (Yassin, 2009).

In such circumstances, the issuing bank shall not be entitled to confirming bank (if any) to dispose of any obligation on the grounds that such a reservation or ensures concerns only the relationship between the sending bank and the beneficiary.

As for the effectiveness of the documents submitted within the scope of the credit, banks are not responsible for the effectiveness of the documents in terms of the form, adequacy, accuracy, originality, supply or legal consequences of the documents.

In addition, the banks do not assume any obligations or responsibilities for the general conditions or special provisions contained in the text of the documents or added to that provision, nor shall it be liable for the good faith of the shipper, carrier, cargo agent or any other cargo, his or her conduct, negligence, financial or achievement suitability or his place. Of business (Kaddumi, 2011).

As to the responsibility of banks for the transmission of messages or force majeure results, they do not assume any liability or obligation in the event of delay or loss of any correspondence, letters or documents in the way between certain parties, nor for delays, distortions or other risks arising from the transmission of telegrams or telegrams (Saifan, 2008).

Banks have no liability or liability for errors resulting from translation or interpretation of terminology. Banks reserve the right to inform the terms of credit as they are without translation.

In addition, banks have no obligation or liability in respect of the consequences of interruption of their business due to incidents of judgment, power, riot, civil disturbance, insurrection, war or other causes beyond the control of banks, disturbances or closure of shops (Mohammed, 2011).

In respect of any credit expiring during the period of interruption of the work, the banks shall, upon resuming their activity, not make payment or pledge to pay on the due date, accept the beneficiary's withdrawals or trade the documents under the credit unless they are explicitly converted to do so.

3.6.14 The accounting treatment of the letter of credit for the import in the books of the importer

A company engaged in the field of plastics has imported 240 tons of raw materials at a price of \$ 100/ ton from the supplier Sabrina in Italy. To implement this process, the following steps were taken (Capital bank of Jordan, 2019):

- Opening of a letter of credit to facilitate suppliers 90 days as of 20/03/2018 Accreditation number 814/2018
- The Bank has deducted an advance payment of 10% of the amount of the credit on 28/03/2018.
- The Bank has deducted bank expenses of \$ 480 on 28/03/2018
- The supplier has shipped the goods for two times:
 - The first shipment: 100 tons by 15/04/2018
 - The second shipment: 140 tons by 25/04/2018
- The first shipment was received and added to the stores on 30/04/2018
- The second shipment was received and added to the stores on 10/05/2018

As requested in the previous transactions; prepare the journal entries

Date	Account	Debit	Credit
1 28/03/2018	Letter of credit Credit No.814/2018	\$2,400	
Proof of payment of cash cover (advance payment) is 10% of the transaction value	Raw material Cash cover Bank		\$2,400

Date	Account	Debit	Credit
2 28/03/2018	Letter of credit CreditNo.814/2018	\$480	
Proof of deduction of bank expenses	Raw material Bank expenses Bank		\$480

Date	Account	Debit	Credit
3			
30/04/2018	Letter of credit CreditNo.814/2018	\$9,000	
Proof of The value of the first shipment value, which was added on 30/04	Raw material value of the first shipment 90% (100 X \$100)		
	Suppliers (Sabrina)		\$9,000

Date	Account	Debit	Credit
4			
10/05/2018	Letter of credit CreditNo.814/2018	\$12,600	
Proof of The value of the second shipment, which was added on 10/05 Of the supplier	Raw material value of the second shipment 90% (140-ton X \$100)		
	Suppliers (Sabrina)		\$12,600

4. PROCEDURES AND MECHANISMS

In this chapter, remittances elements will be described, an analysis of the payment methods and tools used in the transfer, and an analysis of the remittances system.

In this segment, informal money transfer systems will not be covered because they are outside the scope of the thesis and will focus on official remittances

4.1 Process of Remittances

The remittance process generally consists of five main elements: capturing, disbursement, correspondence, settlement and liquidity.

Capture is done by paying the transfer amount to a bank or official transfer company. Payment methods are usually used according to local payment methods. However, different payment methods and tools acceptable to both parties (sender and receiver) can also be used. The sender must provide specific information to complete the transfer process. The information required to transfer must be at least the name of the sender and the name of the beneficiary to complete the transfer (Gershman, 1986),

Furthermore, requires from the sender to determine the method of transfer and the currency to be paid and the sender must communicate with the beneficiary to give him the number of the transfer process, or password obtained when the transfer process and then be authenticated to be delivered transfer.

The environment or the nature of the region in which to capture may affect the tools and payment methods that can be used in the transfer process (Oskolkov, 2013).

It may be a hypothetical location, such as an Internet or mobile phone operator's access channel or possibly a physical location such as a branch of a transfer company, a branch of a bank, or a retail.

The main part of the exchange is payment by exchange to the receiver. Different methods and tools can be used, although options are subject to payment system restrictions in the receiving country. You can also pass transport information to the receiver (Citibank, 2001).

There may be a need to specify the recipient to claim money according to the disbursement method. The receiver can be selected by Provide the ID, transaction code, password or all. There may not be a need to verify receipt of the money if the recipient has an account but if he does not have an account, it must be verified

Correspondence refers to the transfer of information about payments from remittances to disbursements depending on the nature of the network (Citibank, 2001).

Information may be transferred with moneys through the reconciliation process or maybe sent separately from direct settlement of funds. In the subsequent case, the information is often logged via the ISPs.

4.2 Model of Remittances in Jordanian bank

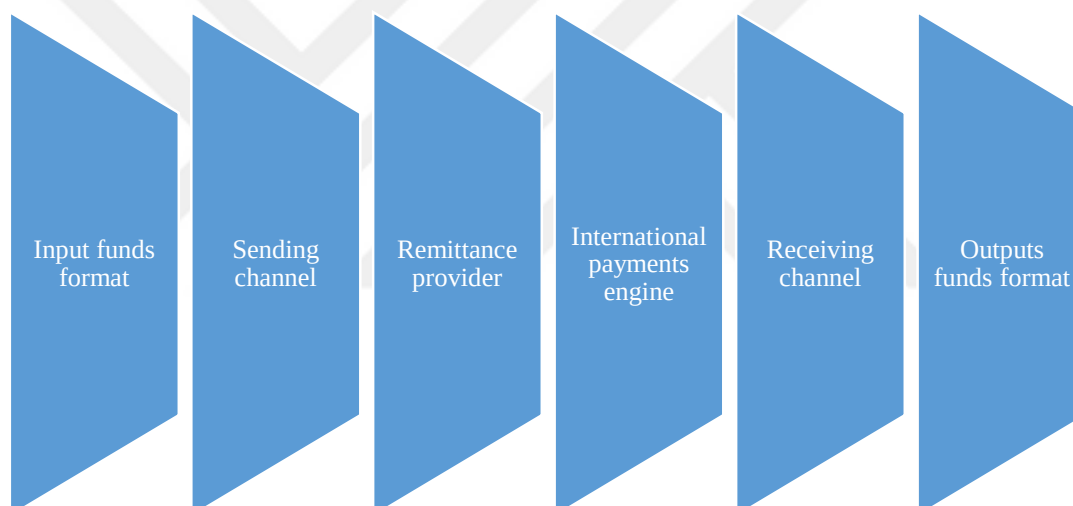


Figure 4.1: Model of remittances in Jordanian bank

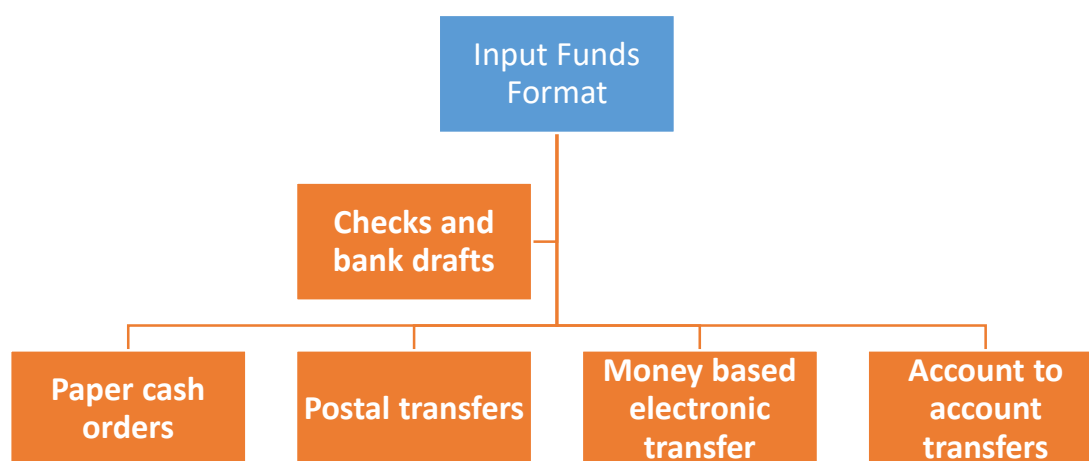


Figure 4.2: Input funds format

4.2.1 Input funds format

Commercial banks have traditionally played an important role as facilitators of transfer transactions between countries because of their widespread networks in sending and receiving countries and their participation in international payment and settlement systems (Arab bank, 2019).

Some banks with global activity may transfer funds through their own transfer networks, while other banks with limited networks may use the transfer services provided by a licensed global operator, join a cooperative network for this purpose, or use a banking correspondent relationship. The international banking network, which links local payment systems, allows transfer of remittances from banks offering money transfer facilities to any other bank in the world (Saifan, 2008).

Customers can submit their transfer requests at any bank in Jordan or using online banking but must have an account with this bank. All remittances will take about two business days to be received.

When submitting a remittance request, the client who desire to make a remittance must fill the remittance form from the bank or one of the branches of the bank in which he has an account, the following information needs to be provided (Arab bank, 2019):

- Applicant Name and account number
- Recipient Name and actual address
- Transfer's amount and currency
- Recipient Bank Name, Branch and Swift code
- Recipient account number or IBAN
- Payment details
- Purpose of remittances
- Remittance mechanisms and their characteristics

Different types of conversions can be distinguished depending on the payment methods and tools involved by the end-user. These broad groups, also referred to as transfer mechanisms, are checks, bank drafts, postal transfers, and transfers from one

account to another. The following sections describe the basic properties of each mechanism.

4.2.1.1 Checks and bank drafts

A bank draft is an installment for the benefit of a payer that is ensured by the issuing bank. Commonly, banks will review the bank draft requester's record to check whether adequate funds are accessible for the check to clear.

When it has been affirmed that adequate assets are accessible, the bank effectively sets aside the cash from the individual's account to be given out when the bank draft is utilized (Shannak, 2013).

A draft guarantees the payee a protected type of installment. Furthermore, the cash withdrawn from the account will diminish the payer's bank account.

Getting a bank draft necessitates that the payer has just deposited cash money equivalent to the check sum and pertinent charges with the issuing bank.

The bank makes a check to the payee drawn without anyone else account. The name of the payer (otherwise called the remitter) is noted on the check, yet the bank is the element making the installment. A bank clerk or officer signs the check. A bank draft works likewise to a clerk's check (Arab bank, 2019).

Since the cash is drawn upon and issued by a bank, a bank draft ensures the accessibility of the basic funds. Purchasers or merchants make or require installments through bank drafts as a protected technique for payment.

4.2.1.2 Paper money orders

Paper money orders are like checks, however they are issued and release by different financial service providers, not just banks. In general, the largest postal service providers were MTO (Siam, 2006).

A paper money order can usually be spent for money when the beneficiary is placed in a branch or partner's website for a specialized organization, making it faster than checks.

In any case, physical treatment defects apply and are also sent. Bulk and low-value postal orders are common in some local markets. At the international level, they tend

to be expensive. This thesis focuses on electronic transfers, rather than on paper mechanisms.

4.2.1.3 Postal transfers

Transport of goods and funds is included in the activities of trans-border transport operators (most of whom are courier service operators).

Bus delivery service operators are not official transfer agents, but may transfer authorized or unauthorized funds in mission data as part of their legitimate activity in this area (Teal, 1982).

To make the transfer, the sender goes to the bus company's office, delivers cash at the counter, and receives a receipt and a password that is sent to the beneficiary in the receiving country.

The beneficiary must provide the password and verify his or her identity, as appropriate, to obtain money from the company's office.

Transport services are provided through post offices in many countries. Senders usually need to pay the account and after sending the money internationally to other postal accounts, bank accounts or post offices (collectibles) to raise funds. Small businesses often use several days to be processed (Teal, 1982).

4.2.1.4 Money based electronic transfer

MTO are organizations that provide money transfer services, mostly through operators, and money is sent between the recipient countries.

This does not require you to have an account or to open an account with that organization. The offices of these organizations are usually spread out on most streets in the cities, where they can be located in different areas of the premises to any comparison (Hafer, 2004).

To transfer the money, you must complete the forms and provide the identity. Some offer online cash benefits and also exchange mobile phones. such Western Union, MoneyGram, Chequepoint, Coinstar (Hansen, 2011).

In addition, Money-based electronic transfers are generally made through money transfer operator. The sender deposits funds in the MTO branch and the recipient

recovers the funds from the MTO branch in another area in the same country or any other country according to the place where it was sent.

The exchange process is conducted electronically through MTO. Recipients generally provide a reference number for the transaction (Hansen, 2011).

4.2.1.5 Account to account transfers

Transfers from one account to another are usually provided by banks and credit associations. Even though most banks around the world have changed to the SWIFT framework, e-money transfers (EFT or WIRE transfers) are generally moderate and expensive, making them more convenient for higher value business payments rather than small transfers. In addition, it may be a requirement that both the sender and the beneficiary have a regular bank financial record of severe restrictions (Langdale, 1985).

In response to the insufficiency of traditional bank transfers to send remittances, some banks and credit associations now provide very flexible economic transfer services for specific transfer channels. Similar services can be based on interbank or correspondent banking or a messaging and settlement platform. They can also apply new technologies (Arab bank, 2019).

Although recipients typically need a bank account or credit association, this may not be necessary for some payment options.

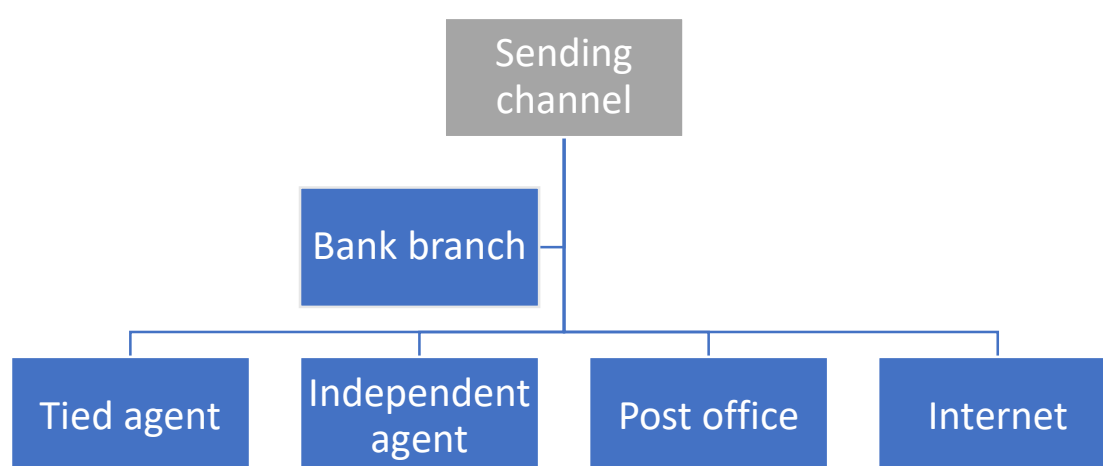


Figure 4.3: Sending channel

4.2.2 Sending channel

Where after the customer has chosen a conversion method that wants to go to one of the above mentioned in the figure, we will explain it as follows:

4.2.2.1 Bank branch

The bank is an institution that obtains the approval of the government authorities in order to accept financial deposits, paychecks, provide miscellaneous loans to individuals and enterprises, and participate as intermediaries in transactions and financial services (Abbad, 2013).

The bank is defined as an organization that provides individuals and institutions with the ability to invest, borrow, between currencies, cross-border transfer of funds and other tariffs for the bank is a financial institution with a legal license that allows it to provide loans, receive deposits and provide money services such as currency exchange, wealth management, for safe (Hattab, 2009).

4.2.2.2 Tied agent

Sub-agents represent the front-end office where people, customers, short-term employees, and other clients go to send or receive money from abroad.

The operators of the transfer services have a strong presence in almost all countries through a large number of sub-agents located around the world (AL-Majali, 2016)

Sub-agents settle the net balance of amounts received from sending customers and amounts paid to clients with their principal agent. This first level of clearing occurs frequently, such as on a daily basis and is usually carried out using a local bank transfer (Bashabsheh, 2016).

4.2.2.3 Independent agent

The independent agents act on behalf of the parent company operating the transfer services under various legal arrangements. They can be considered back office operational units because they have an important part of the administrative work.

In particular, the collection of detailed data on payments made by sub-agents and the transmission of detailed data on payments received. Therefore, detailed administrative records of payments must be stored and maintained in agent

information systems, including proxy sub-data, transfer amount, fees, date of transaction, country and address of sender and beneficiary. Thus, agents can be considered a valuable source of statistical data (Colton, 2013).

The independent agent will perform the second level of clearing, perhaps once every week or two, to settle the net balance of money transfer activities. The total of the counterpart balances between the independent Agent and its sub-agents.

In addition to sending or receiving funds, the agents also exchange with the Clearinghouse all necessary information on payments made and received.

The clearinghouse may be in a country other than the sending country of the receiving country or the country of the parent company operating the transfer services (Lockett, 2013).

4.2.2.4 Post office

Post offices provide their own services International funds transfer or act as agents of other remittance companies The international remittance service allows the transfer of funds to individuals or companies in countries with which mutual agreements are entered into among the providers of money transfer services (Teal, 1982).

Post offices have the largest network of coverage extended to remote locations, particularly in recipient developing countries whose infrastructure does not have the requirements to deliver remittances.

Transfers can be easily sent to a number of countries through post offices providing transfer services International. International wire transfers can be sent using the regular mail or express mail service (Halpern, 1990).

However, the sender can send remittances directly to some countries. Usually there will be a maximum amount of one postage. The service allows delivery to the address of the beneficiary in the case of regular transfers that require payment of the transfer amount and service fees at the post office in cash or transfer from the sender's account.

4.2.2.5 Internet

The Internet is also used as a means of transferring funds among people. Some "traditional" transfer service providers offer online transaction processing as well as transactions through their branches and agents. Other money transfer companies rely on models to work over the Internet only (Lockett, 2013).

A very innovative service has recently emerged in the markets, namely personal switching between virtual accounts. Although this type of payment has not been widely distributed, demand for it has increased. To convert through this service, the sender of the transfer opens a virtual account on the Internet, and money is usually deposited in this account using fast-payment cards, cash machines or cash dispensers of credit or credit organizations (Baumgart, 2011).

Cross-border money transfers can flow between virtual personal accounts. If an individual wish to make a payment via the Internet, it is sufficient to add the funds to a default account and transfer them to another account through the electronic payment system. Recipients of the transferred funds may deposit them in their account with a local bank (Arab bank, 2019).

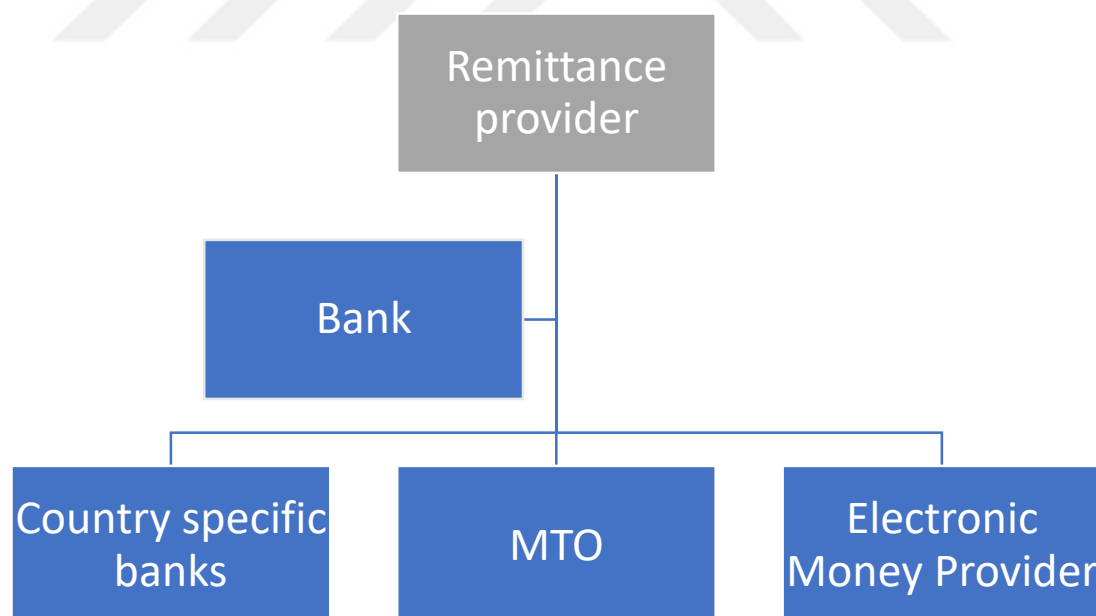


Figure 4.4: Remittance providers

4.2.3 Remittance providers

Where representative services will be linked in the previous phase of this phase, the stage of providers of remittance services (Arab bank, 2019).

It contains many remittance providers that receive or receive transfers from the previous stage, processes conversions internally, validates information, matches information and sends it to the destination sent to the parent. We will show that later.

4.2.3.1 Bank

Is a financial institution that trades in money and has a primary purpose of acting as an intermediary between capitals that seeks to search for investment areas and between investment areas that seek to seek capital (Arab bank, 2019).

Banks practice banking by accepting deposits, offering loans, deducting or collecting commercial papers, opening documentary credits, and transferring money and currencies (Abbad, 2013).

These banks may practice other non-banking activities, such as participating in economic projects and selling and buying shares and bonds.

In this step, the bank receives remittances from the bank branch, which it sent to the bank's remittance department to deal with them by confirming all the information, condition requirements and deducting the amount and purpose of the transfer. In turn, the bank sends them to the country concerned, correspondent bank, or SWIFT (Arab bank, 2019).

4.2.3.2 Country specific banks

Requests for remittances sent by the bank branch are received by specific banks in each country at the request of the customer if there are direct transactions with the bank in that country (Hattab, 2009).

4.2.3.3 MTO

Money transfer operators (MTOs) are institutions built up with the basic role of exchanging cash starting with one place to another.

Western Union is one of these and rules the settlement advertises in numerous nations (Hansen, 2011).

Besides of paper cash requests and money based electronic exchanges, it offers a scope of creative items, for example, an online variant of the "Western Union Money Transfer" administration that empowers sending cash online right away utilizing Visa or MasterCard credit/platinum cards (Lockett, 2013).

MoneyGram is the second biggest MTO on the planet, and in certain nations, it offers home conveyance and ATM cards as dispensing choices. Past these two, there are various littler MTOs giving administrations in few passageways.

Furthermore, the companies that established with the primary purpose of transferring money from one place to another, in addition, the same exchange company relies on currency exchange and transfer of funds from one country to another via Western Union. It intends to receive requests for remittance through an equivalent agent, an independent agent and post office (Anders, 2010).

These offices are the main access channels for using MTO and Western Union.

4.2.3.4 Electronic money provider

Electronic money refers to "stored value" or prepayment mechanisms to carry out payments through point-of-sale terminals, direct transfers between two devices, or over open computer networks such as the Internet (Muyingi, 2008).

Value stored products include "devices" Or (card-based) mechanisms called (electronic portfolios) and "software" or (Web-based) mechanisms called (digital cash).

They can be single purpose or multi-purpose stored value cards buy one type of product, service or products from a single seller; multi-purpose cards can be used for a variety of purchases from many sellers (Mirembe, 2008).

Banks may participate in electronic money structures as issuers, but they may also participate Perform other functions.

Distribution of electronic funds from other entities, Refund of electronic cash transaction returns for traders, Processing, settlement and settlement of electronic clearing, and maintenance of records Transactions (Kaddumi, 2011).

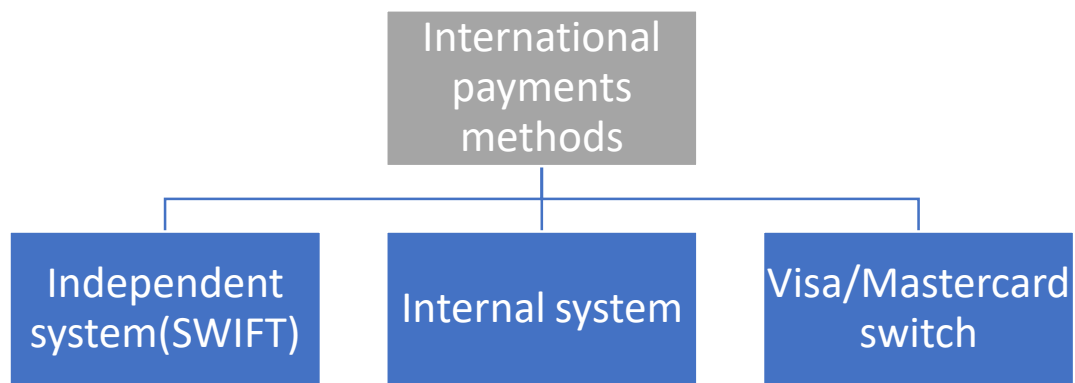


Figure 4.5: International payment methods

4.2.4 The international payment methods

Where transfers are received from various banks around the world and from exchange companies around the world. Once the conversions have been processed in the country of conversion (the source of the conversion), they have been sent to an international payment methods according to each bank. The payment methods is selected and sent to the destination country after all instructions have been confirmed and the information is matched and corrected (Siam, 2006).

In this step, we will talk about some global payment methods and their working condition.

4.2.4.1 Independent system (SWIFT)

It is a correlation system between the banks, it is a centralized international system for the implementation of electronic money transfer between international banks electronically by adopting international standards and through a specific code given for each bank called SWIFT CO. (Lingl, 1981).

The SWIFT offers unquestionably the speediest method for worldwide supports transfer. The messages are regularly sent from the candidate bank around the same time as the application accommodation to have a certificate, in any case, the application for support settlements ought to be received by the bank, regardless of whether on the web or in paper application (Zachariadis, 2012).

SWIFT is used when transferring between correspondent banks to facilitate the transfer of funds transferred to the other beneficiary; SWIFT is used if the recipient

bank is not a partner with the transfer bank so that the transfer is handled by a correspondent bank, which in turn sends it to the bank Receiver through SWIFT system. This system is used when transferred from the previous stage through the bank and country specific banks (Swift, 1986).

4.2.4.2 Internal system

The internal system is used directly through the bank, MTO and electronic money supply from the previous stage.

When a bank transfers to another bank, directly without the need to use the correspondent banks (bank of the receiving partner with the sending bank) or may be internal transfers between the same banks or other banks in the same country so that the internal systems are used (Arab bank, 2019).

In addition, when transferring from exchange companies, an internal system is used through MTO through Western Union transfers, which do not need to use correspondent banks or correspondence companies directly from the sender to the recipient through this system, and acts as a brokerage between a trader and a client (Arab bank, 2019).

4.2.4.3 Visa/MasterCard switch

Credit cards are a type of card used to perform various financial procedures, such as purchasing services or products, and obtaining cash on the basis of certain financial ceilings and commissions (Hunt, 2003).

Credit cards are issued through banks with the names of their customers; through a series of agreements with various companies; so that bank customers can use these cards in many financial transactions (Hunt, 2003).

Visa Card is a credit card belonging to Visa; it is one of the companies responsible for technological payments, used by companies or individuals.

The MasterCard is one of the types of credit cards issued Distributed through MasterCard (Hunt, 2003).

There are not many differences between the Visa Card and MasterCard cards. The only difference between them is the nature of their respective privileges, such as

credit limits, interest rates, and card rewards. The bank or the financial entity responsible for issuing the card Visa or MasterCard determines these privileges.

Credit cards are important banking services in the banking sector and have become one of the main needs of people in many different types of human societies; this has contributed to the increase in the use of credit cards among many people (Zacharias, 2002).

Financial obligations arising from sales, or for services, such as payment of taxes, invoices, fees and money transfers.

In the model based on the future, the transfer service is provided by the receiving bank. The sender either uses a credit / debit card in a distant service for the buyer to purchase the cash value or uses some other money transfer mechanisms to replenish the recipient account (the default). The funds can then be recovered by the recipient in the form of cash or prepaid card or can be transferred to another bank account. It is considered as a brokerage company between trader and client (Arab bank, 2019).

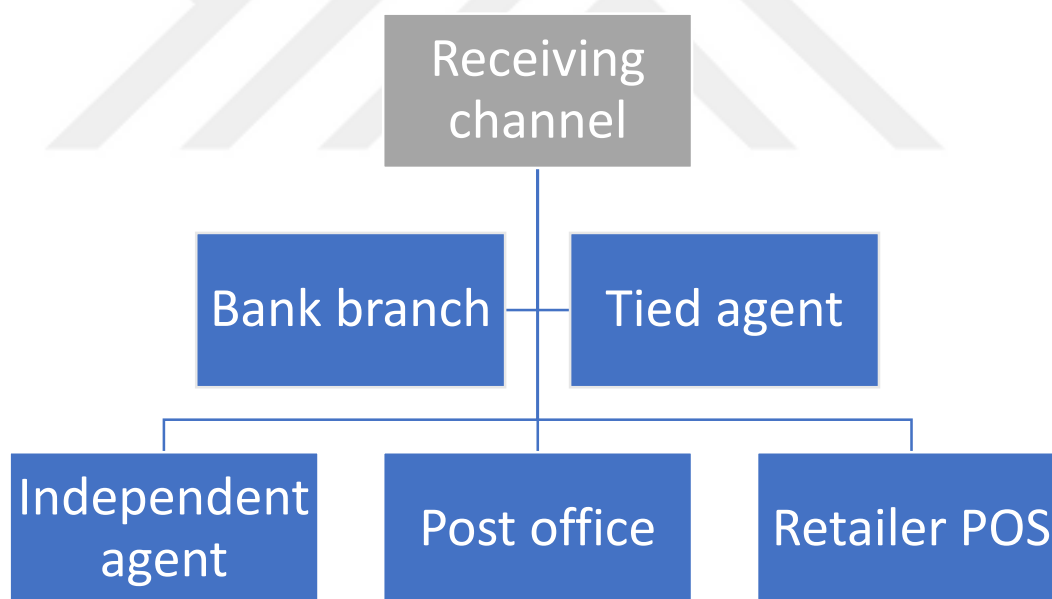


Figure 4.6: Receiving channel

4.2.5 Receiving channel

In Figure (4.6), the terms of the bank branch, tied agent, Independent agent, post office and Internet (POS) are explained in detail.

At this stage and after all the previous stages have been processed, each payment methods will be sent to the recipient or pre-specified from the customer which in turn will deliver it to the customer in the next stage (Arab bank, 2019).

SWIFT will send the transfer to the bank branch in the beneficiary country, and the internal order will send the transfer to the Tied agent in the beneficiary's country and independent agent as well as to the post office of the recipient country and to the point of sale (Mirembe, 2008).

Make sure all remittances from the conversion engines are correct, comply with the instructions, verify them, and there is no doubt, and then process them for delivery to the beneficiary in the final stage (Arab bank, 2019).

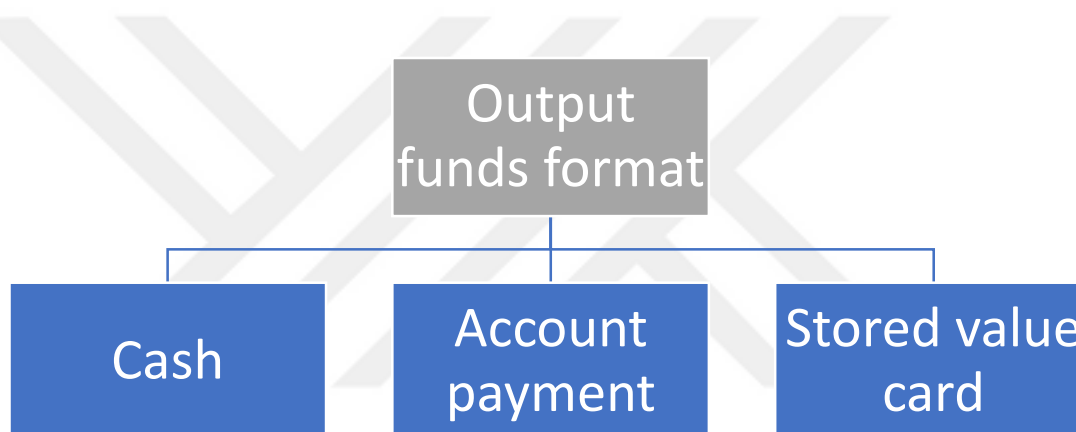


Figure 4.7: Output funds format

4.2.6 Output funds format

At this stage, the beneficiary receives the cash transfer amount through the bank or deposits it in his / her bank account. With respect to other remittances, the beneficiary goes to the destination of the converter such as the independent office and other exchange companies and receives amount in cash. For cards, the amount is added to the card or merchant account (Arab bank, 2019).

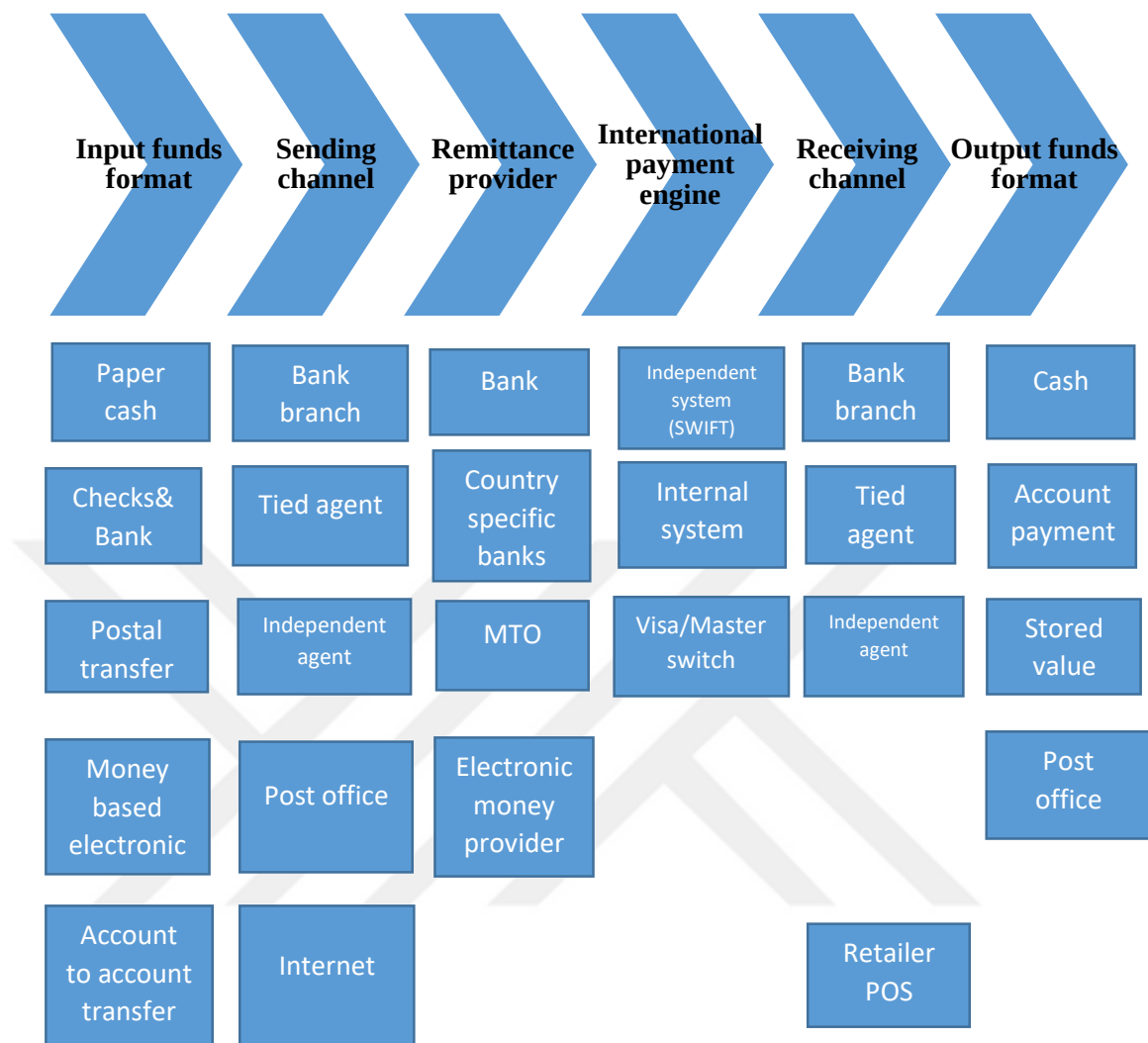


Figure 4.8: All process and relationship between each of them

5. CONCLUSION

At the end of this research, and in our study of the transfer of funds in international banks, it is possible to identify or clarify the meaning of remittances or bank transfers.

Bank transfers are transactions established after the emergence of modern banking systems and is one of the most important banking operations and the most prevalent in the world. Banks provide this service to meet the needs of their clients and facilitate the achievement of their purposes.

In addition, bank transfers are a means of electronically transferring money from one person or institution to another. Bank transfers can be made from a bank account or through a transfer office and are represented by another person or party.

Remittances are made through the automated clearinghouse, a network owned and managed by electronic transfer banks.

EFT Corporation allows companies and institutions to electronically collect remittances through the Automated Clearing House (ACH). This service features the old system (paper system) as the fastest and most capable of dealing with various remittance services such as direct deposit of pay checks for collection at maturity and installment collection service (scheduled payments).

Furthermore, the advantages of bank transfers or electronic remittances, easy exchange of remittances with branches or agents with high levels of security and reliable, the speed of receipt of the transfer from any branch or agent and in any currency other than the currency of transfer, withdrawal and deposit of customers and transfer them from account to account and dealing with safe Customers who do not have accounts, and are also characterized by very low cost with their peers of traditional transfer.

That banks and remittance companies aim to ensure the effectiveness of the transfer of funds between banks and financial institutions and aims to facilitate the

management of funds and reduce the risk of repayment to the lowest levels and reduce the cost and time in the provision of banking and financial services.

Banks also provide infrastructure to facilitate and provide trade and investment operations and accelerate the circulation of funds in the macroeconomic.

Moreover, the economy has benefited greatly from these technological advances in money transfer and electronic payment systems such as credit cards, visas and cash transactions and has provided a means of financing daily purchases through credit.

In addition, remittances restored the economy as a result of the movement of funds. Most of the money transferred is used for consumption, including consumption of social services such as health and education, and contribution to economic and human development.

In addition, there are ways or means of transferring money internationally as described in the SWIFT, EFT and RTGS thesis.

SWIFT It is a system of interbank linkage. It is a central international system for the electronic transfer of funds between international banks electronically through the adoption of international standards and through a specific code for each bank called SWIFT.

Electronic funds transfer (EFT) among the best funds that can reach the governing bodies of enterprises are the exchange of electronic subsidies, or EFT. As the name implies, EFT allows enterprises and their customers to exchange funds electronically rather than through checks or bank transfers.

RTGS (Real Time Gross Settlement) are electronic payment systems that allow individuals to transfer funds between banks. Systems are maintained by the central bank this applies only to the transfer of funds within the state.

Under RTGS, funds are transferred in real time, or in other words, at the time of receipt of the application. It is one of the fastest transfer funds between banks available through banking channels in the country.

The transfer of funds to and from abroad leads to increased opportunities for fraud, money laundering, terrorism financing and impact on the national economy.

Money laundering is the recycling of money resulting from illegal acts in legitimate investment channels, to hide the real source of these funds and to look like they were

generated from a legitimate source. Examples of such illegal acts are money generated by the drug trade - slave - weapons and many other examples. The transfer of funds to and from abroad leads to increased opportunities for fraud, money laundering, terrorism financing and impact on the national economy.

Money laundering leads to economic stagnation and reduced GDP growth rates, which increases the total deficit of the Council, increases deficit payments, increases external indebtedness, high interest rates, low production capacity, declining purchasing power and rising inflation.

One of the main effects of money laundering is the depletion of the national economy in favor of other foreign countries and the increase in domestic liquidity disproportionately to the increase in the production of goods and services.

Jordan adheres to international and national standards to combat money laundering and terrorism financing and is committed to controlling banking operations, especially remittances, credits, etc., because banking operations and the transfer of money and currencies directly affect the economy of the country and also affect the reputation of Jordanian banks.

Jordan is committed to implementing the laws and standards necessary to reduce and eradicate this phenomenon and to impose its control over banks in particular and banking institutions in general and to move forward in combating all kinds of crimes and preserving the economy and economy. Reputation of banks in the country.

The Hashemite Kingdom of Jordan is one of the leading countries in the field of using international accounting standards and is one of the main Arab countries.

Jordan is committed to the implementation of international accounting standards and international financial reporting standards.

In recognition of the importance of complying with international accounting standards, the Jordanian legislator initiated.

Article (184) of the Temporary Companies Law No. (23) For the year 1997, and Article (16) of the Securities Regulations issued by the Jordanian Securities Authority.

In addition, The International Accounting Standards (IAS) regulates the accounting profession and the organization of accounting operations. The objectives of the

international accounting standards are several important objectives, and they seek to apply them in the accounting fields.

These include the preparation of financial statements and the preparation of accounting lists that accept international acceptance. Contribute to the harmonization of procedures and accounting rules. Provide time and effort during the preparation of the financial statements, by consolidating accounting procedures. Supports international monetary exchanges, thus contributing to the increased efficiency of financial markets. Helps companies get the right funding to complete all their projects.

Letter of credit is the most popular means in the modern era and helps to complete deals between different countries in full confidence, without it is difficult and impossible to complete thousands of transactions concluded every day in the field of foreign trade.

The importance of letter of credit is a tool for granting credit to both the exporter and the importer by the bank acting as the intermediary, the advisor and the guarantor of both parties by carrying out a careful review and verifying the validity of the documents submitted before the financial settlement is initiated.

The acceptance of banks to open and implement letters of credit of different types generates many responsibilities, obligations towards each other and the direction of the documents submitted, and the direction of the customers determined according to the criteria and international banking rules.

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RESUME

Name and Surname : Mahmoud AL-ABABNEH
Birthday and Place : August 20, 1991, Amman, Jordan
E mail : mahmoud_ababneh@hotmail.com



Education

Graduated, July 2009 **Higher Secondary Certificate (H.S.C)** Salt Academy School
Graduated, July 2013 **Bachelor of Accounting** The Hashemite University
Graduated, June 2019 **Master of Business Administration** Istanbul Aydin University

Work Experience

March 2016 - April 2017 **Internal Auditor** Aralia Trading

A formal detailed examination of the financial accounts and records of a business, organization or person.

Internal Audit conducted by the organization itself to identify inconsistencies and errors in accounts and records, methods and practices.

February 2015 - February 2016 **Teller** Société Général De Banque Jordanie

Provides account services to customers by receiving deposits and loan payments; cashing checks; issuing savings withdrawals; recording night and mail deposits; selling cashier's checks, traveler's checks, and series e bonds; answering questions in person or on telephone; referring to other bank services.

Records transactions by logging cashier's checks, traveler's checks, and other special services; preparing currency transaction reports.

July 2014 - February 2015 **Customer Service** Swiss Exchange

Responsible for acting as a liaison between customers and companies. Assists with complaints, orders, errors, account questions, billing, cancellations, and other queries.

Conducting internal and external transfers for customers through several programs including Western Union.

January 2014 - July 2014 **Customer Service** Arab Jordan Investment Bank

Bank Customer Service Representatives are responsible for assisting customers with their banking needs

Whether a customer or potential client requires information on banking fees, or if they are seeking information related to online banking, Bank Customer Service Representatives are there to help and provide exceptional customer service.

Internship

July 2013 - December 2013 **Auditing** Deep Vision

Plans financial audits by understanding organization objectives, structure, policies, processes, internal controls, and external regulations; identifying risk areas; preparing audit scope and objectives; preparing audit programs.

Assesses compliance with financial regulations and controls by executing audit program steps; testing general ledger, account balances, balance sheets, income statements, and related financial statements; examining and analyzing records, reports, operating practices, and documentation.

Training and Certifications

Best Internal Audit Practices in light of the Current Challenges, The Institute of Internal Auditors, 3 CPE July, 2018 by Central Bank of Jordan.

Certificate of Internal Auditor (CIA), IIA, (Candidate).

Career Highlights

Performing risk assessments on key business activities and using this information to guide what should be covered in audits.

Anticipating emerging issues through research and interviews and deciding how best to deal with them

Assessing how well the business is complying with rules and regulations and informing management of any issues that need addressing.

Providing support and guidance to management on how to handle new opportunities agreeing recommendations with relevant staff members to make improvements to operations and helping to secure backing for them in meetings.

Preparing reports to highlight issues and problems and distributing the reports to the relevant people.