



MED MSMEs

Policies for inclusive growth

THIS PROGRAMME IS FUNDED BY THE EUROPEAN UNION



Support to an Enabling Business Environment for MSMEs Development & Financial Inclusion



Financial Inclusion Policies and Innovative MSME Financing in the South Med

Crowdfunding beyond borders – The Case of Jordan

Brussels, December 1 - 2, 2022





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Jordan's Economic Modernization Vision



Enabling FinTech sector is one of economic modernization vision pillars and to be in line of the trend to formulate a national goal in Jordan related to financial technology in the financial and banking sector, which is for Jordan to become a safe innovation and competition environment to provide innovative financial services and products to the local and regional market and to enhance financial inclusion and stability in Jordan

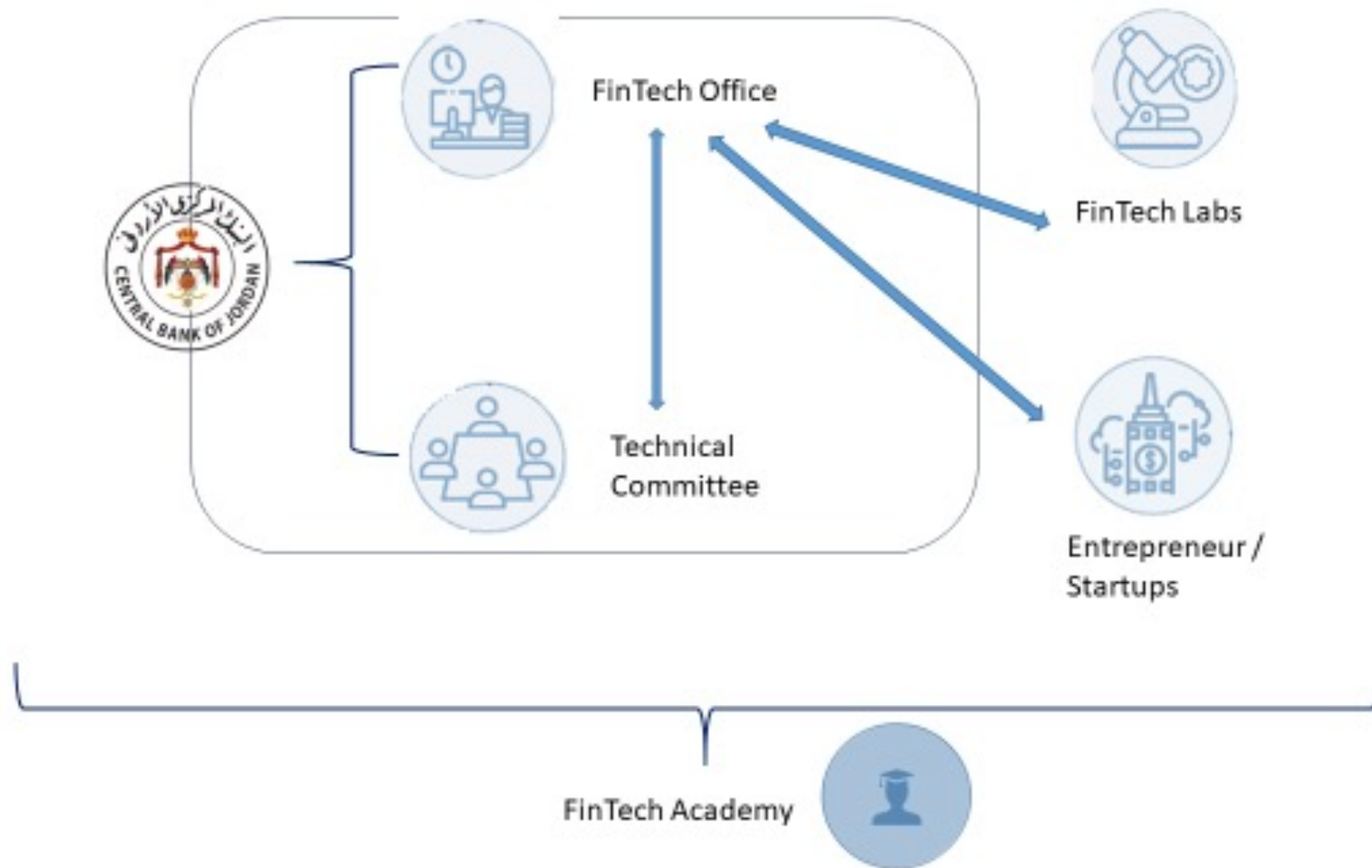




Initiative support Open Finance

Central Bank of Jordan published “Open Finance Instructions” in Nov-2022.

CBJ have mandated in these Instructions the banks, payments service providers which are under its umbrella to provide the open finance services to their customers by allowing third party providers to access their customers data after taking their consent.



<https://www.youtube.com/watch?v=CxvtQtBkVJ8>



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Findings >>>

- Many companies in Jordan are micro, small, and medium-sized enterprises (MSMEs). And their access to finance is inadequate: only 10% of all bank loans were granted to MSMEs, which is a low figure even by regional standards. At the same time, trust in and expectations of the financial sector tend to be low, as MSMEs often do not feel addressed by financial institutions.
- The Central Bank of Jordan (CBJ) have introduced a variety of reforms in recent years that favor MSME financing. Though these reforms are enacted, they often fail yet to reach full scale.



The CBJ published at the end of 2021 Finance Companies Bylaw, the provisions of that Bylaw applied to companies that engage in finance activities (granting of direct credit, including microfinance, financial leasing, factoring, mortgage finance, mortgage refinance, lending based crowdfunding).





Example of Jordan crowdfunding platforms

Liwwa Inc. (“Liwwa”) is a FinTech start-up that operates a crowdfunding platform to provide trade finance to underserved small businesses.

MSMEs benefit from an online loan application process and marketplace function, while retail investors can crowdfund ‘campaigns’ based on the credit assessment, loan structuring and pricing determined by Liwwa





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