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Doing Business in Jordan 2019





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Doing Business in Jordan

A Comprehensive Guide 2019

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“ Whether it is free-trade-access manufacturing, or green-economy projects, or professional services, or an entirely new opportunity that you create: Jordan is open for business ”

Speech of His Majesty King Abdullah II
Opening the 27th Annual Meeting and Business Forum of the
European Bank for Reconstruction and Development
Jordan, Dead Sea
09 May 2018



His Majesty King Abdullah II



**His Royal Highness Crown
Prince Al-Hussein Bin Abdullah II**

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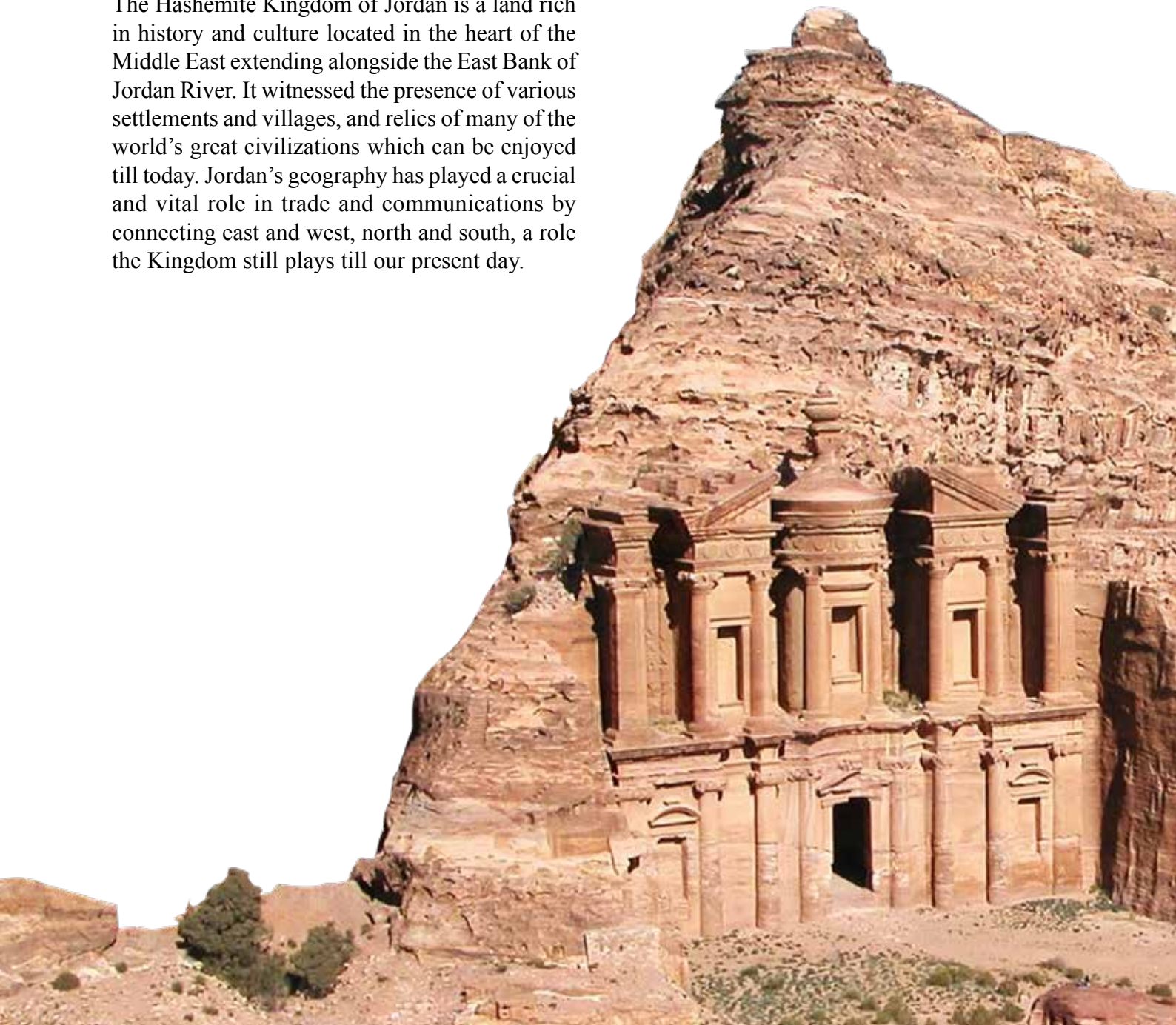


Introduction

I. Destination Jordan

■ History

The Hashemite Kingdom of Jordan is a land rich in history and culture located in the heart of the Middle East extending alongside the East Bank of Jordan River. It witnessed the presence of various settlements and villages, and relics of many of the world's great civilizations which can be enjoyed till today. Jordan's geography has played a crucial and vital role in trade and communications by connecting east and west, north and south, a role the Kingdom still plays till our present day.



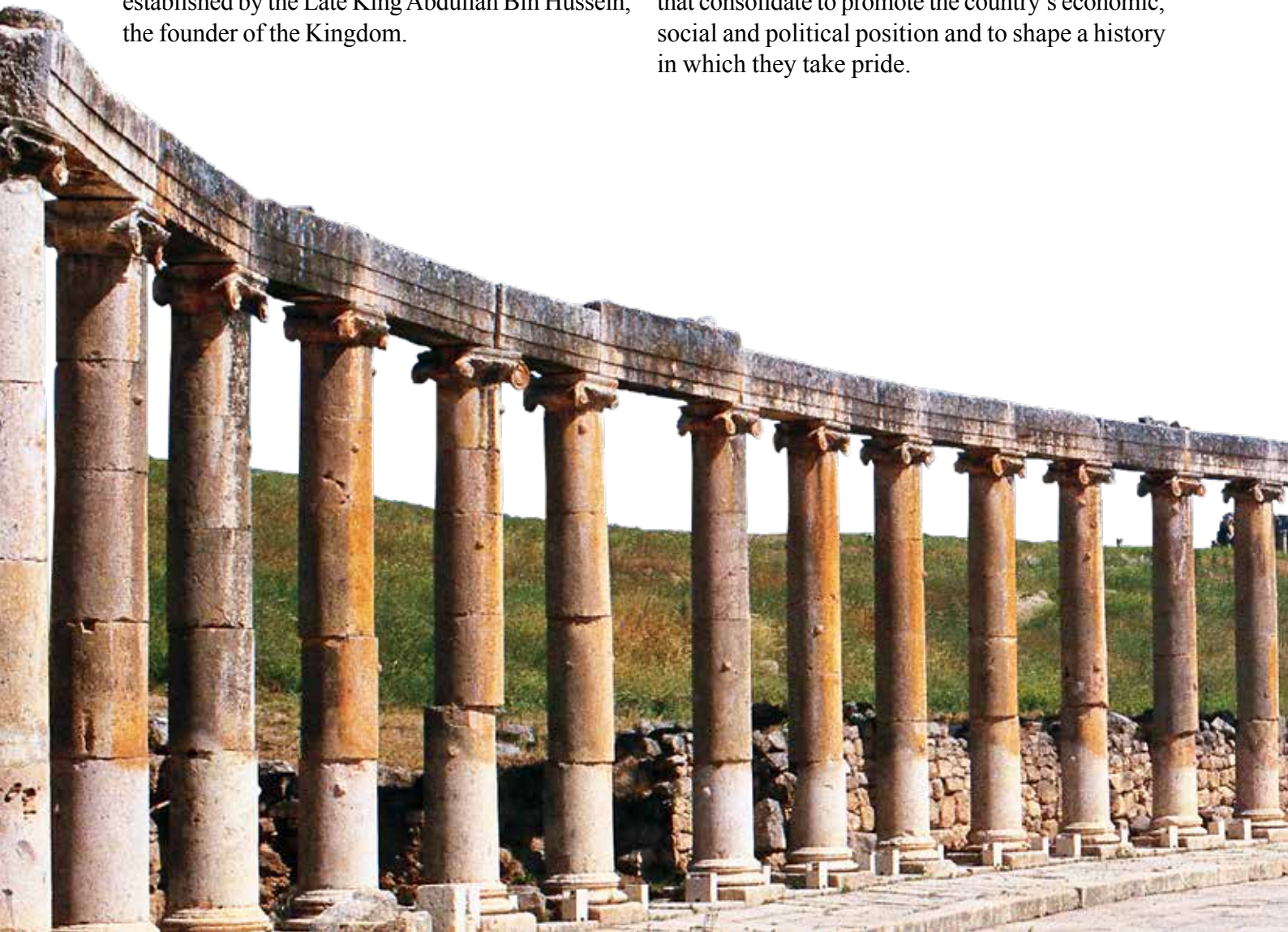


Due to its centralized location, historical and cultural value, the Kingdom gained a strategic and commercial importance through history that made the area eyed by many civilizations who took roles in dominating parts of the Kingdom, from the ancient Iraq, the Pharaonic Egypt and the Nomadic Nabateans, to be later embraced by the classical civilization of Greece, Roma, and Persia.

Arabs started to extend their powers over the area during the seventh Century, and it remained mostly ever since in the hands of different Arab and Islamic states. In 1921, the” Emirate of Transjordan” was established by the Late King Abdullah Bin Hussein, the founder of the Kingdom.

The modern country of today has gained its independence in 1946 by which it was named the Hashemite Kingdom of Jordan. The name “Jordan” was originally derived from (Jor) and (Dan), which are the names of the two northern tributaries of Jordan River. In light of the establishment, a new Constitution was set in line with the Hashemite’s vision of establishing a country based on democracy and tolerance.

Jordan has played since its establishment a major role in achieving crucial historical turn points and stood as the greatest example of a developing country that comprises different political spectrums that consolidate to promote the country’s economic, social and political position and to shape a history in which they take pride.



■ Population:

The current population of Jordan is around 10,282,242 with the highest density in the Capital City of Amman holding a percentage of 42.04%, followed by the cities of Irbid and Al-Zarqa'a, according to the Department of Statistics.

Jordan has always been renowned for its cultural and religious diversity, and the ongoing events regionally and globally, these collectively have contributed to increasing the number of nationalities in the country from Syrians, Egyptians and other nationalities. As 30% of the population is of non-Jordanians, where half of that percentage is of Syrians that are distributed mostly in the capital of Amman, followed by Irbid City, and Al-Mafraq respectively.

While some nationalities have resorted to the homelands of Jordan seeking job opportunities such as the Egyptians who found numerous job opportunities mainly in construction; other nationalities found solace in the Kingdom such as Iraqis, Yemenis, Libyans, and others for many reasons including civil wars in their countries.

Jordan's young population is an asset for a better future and the distribution between males and females is seen relatively close, with a relatively higher percentage for males. The gender gap index, issued by the World Economic Forum, ranked Jordan 139th among 144 countries, due to the weak economic participation of women, especially that unemployment among women stands at 30 per cent, the highest in 24 years but steps have been taken to change and give more attention to women's participation in various fields.

■ Geography

Jordan is bordered by Saudi Arabia in the south, Syrian Arab Republic in the north, Iraq in the east, and the occupied Palestinian territories in the West. Jordan also shares a water border with Egypt in the Gulf of Aqaba which is country's sole sea outlet overlooking the Red Sea.

Occupying an area of over 89,000 square kilometers, longitudinal terrains extending from north to south shapes mainly the country's lands. The Kingdom comprises huge mountain chains that extends from



the Yarmouk River at the North to the Joint borders with Saudi Arabia to beautifully form a 1200-meter-high natural barrier between the western Jordan Valley and the eastern deserts.

The Jordan Valley on the west is part of the Great Rift Valley and is mainly used for irrigated agriculture. On its eastern side, runs the Jordan River alongside the valley with a series of side streams that supply the river running through the Valley territory and originating from the heights to create fan-shaped deltas that vary in size and importance.

The Great Rift Valley also embraces the lowest point on earth, the Dead Sea, falling at 430 meters below sea level. The spot is one of the country's most valuable touristic attractions as huge numbers of visitors resort to its northern shores in summer for either treatment or relaxation.

As for the eastern desert, also known as the Badia, it is comprised of waving sands in general with few scattered mountains. The Badia is scarce with population due to its harsh living conditions, unlike its neighboring mountain chains that stand as Jordan's economic pulse as the area witnesses a great population density around it, especially in the governorates of "Ajloun, Balqa, Karak and Maan", extending from the north to the south respectively.

- Total area: around 89.213 square kilometers.
- Land area: around 88.884 square kilometers.
- Water areas: around 329 square kilometers.



■ Climate

Jordan's climate is a combination of Mediterranean, prevailing in the northern and western regions, and arid desert in the rest of the country. In general, the weather is hot and dry in summer and mild and wet in winter, with average temperatures ranging between 12-25C° (54-77F) in the winter, while summer temperatures rise to 40sC° (110-115F) in the desert areas. The rainfall ranges between 50mm (1.97 inches) per year in the desert areas and 800mm (31.5 inches) in the northern hills, with some snowfall in some years.

■ Administrative Divisions

Jordan is divided into 12 governorates: Amman (the capital), Irbid, Zarqa, Mafraq, Ajloun, Jerash, Madaba, Balqa, Karak, Tafleeh, Maan and Aqaba, and each governorate is divided into districts and sub-districts.

■ Religion

Islam is the state's religion and Christians make up 6% of the total population. .

■ Language

The country's official language is Arabic, but a large segment of people speak English.

■ Public holidays

- 1 Muharram Islamic (Hijri) New Year.
- 12 Rabe'a AlAwal: the birth anniversary of Prophet Mohammad.
- 1 Shawwal: Eid Al-Fitr (4-day holiday).
- 10 Dhul-Hijja: Eid Al-Adha (5 days).
- 1 January: New Year.
- May 25: Independence Day.
- May 1: Labor Day.
- December 25: Christmas (one day).



■ Working hours:

Government departments, offices, banks and most businesses are off on Fridays and Saturdays. The official working hours in the remaining five days (Sunday - Thursday) are from 8:30am until 3:30pm.

■ Time

Jordan's time is two hours ahead of Greenwich Mean Time in winter (winter time), and three hours in the summer (daylight saving time), or seven hours ahead of the US Eastern Time.

■ National symbols

Quercus Ithaburensis (Jordan's National Tree):

Known in Arabic as malloul, this long-living tree belongs to the oak family and covers a limited area of the Kingdom. These rare trees live mostly in the northern and central regions.



Black Iris (Jordan’s National Flower):

Black Iris is a type of flowering lilies, and is one of the rare flowering plants in the world. It has a black- violet color and is found in Jordan more than anywhere else. It has been adopted as a national symbol to highlight wildlife and biodiversity as part of Jordan’s identity. The iconic flower is found in several places, including Ajloun Mountains, Yarmouk Reserve and Koura region, among other areas.

Sinai Rosefinch, (Jordan’s National Bird):

Sinai Rosefinch is a beautiful bird that is small in size — ranging in length between 15-16cm and weighing 17-24g. The male is characterized with a red head and chest and brown wings, while the female and young rose finches are grey. The bird belongs to the finch family and inhabits the southern regions of the Kingdom, with the rocky environment being its traditional habitat.

This bird’s attractive pink color, which echoes that of Petra, represents its natural habitat and conveys its breathtaking beauty and charm, reminding us of our duty to conserve, develop and protect nature.



II. Tourism

Jordan has deep roots in history, and has been home to several civilizations, cultures, kingdoms and various other types of states. Its land has been a venue for continued interaction between human civilizations, starting from the dawn of history until the modern state, as the country has always been inhabited by successive civilizations.

Semitic migrations settled in Jordan and established prosperous civilized communities, helped by the area's diverse climate and unique location between the world's major continents. Due to this cultural interaction, Jordan witnessed deeply rooted civilizations and great kingdoms such as the Kingdom of Moab in the south, and the Nabataean Kingdom, which expanded its rule over the area extending from Busra Al-Sham to Madain Saleh. Meanwhile, the north of Jordan constituted the cornerstone of the alliance of 10 Greek cities (Decapolis).



When Jordan fell under the Roman rule, they emerged several important communities in the region. When the Islamic era began, Jordan was the venue for significant incidents in the Islamic history, including the Battle of Mu'ta, the Battle of Yarmouk and the arbitration between Ali bin Abi Talib, May Allah Bless Him, and Muawiya in Odhroh, let alone that Jordan hosted the launch of Abbasid caliphate from Humayma.

The role for Jordan as a center of civilization continued throughout history; the castles and palaces dotting the country hold witness to this.



Between Dream and Reality

Jordan has many geographical, historical, and natural distinctive features that make it a tourist resort through the whole seasons of the year. The religious and historical sites, resorts, natural springs, forests, deserts and beaches; meet most of the tourists' needs.



The Different Types of Tourism in Jordan:

■ Cultural Tourism

Cultural tourism includes visiting the country's archaeological sites where tourists will be able to know the different civilizations and traditions of nations who inhabited the area through history. Jordan has thousands of historical and archaeological sites, the most famous are; Petra, Jerash, Karak Castle, Ajloun Castle, Umm Qais, and the Roman Amphitheater in addition to others.

■ Therapeutic Tourism

Therapeutic tourism is concerned with the natural mineral springs of Jordan that visitors resort to for physical and psychological treatment and relief, in addition to the clinics and hospitals, such as; the beaches of Aqaba and the Dead Sea, Hammamat Ma'in (Ma'in Hot Springs), Ofra, sulfur water of the Jordan Valley; especially in the Hamma area.

The country has modern hospitals that are equipped with the most advanced technologies and equipment. These hospitals, whether in the governmental or private sectors, are supervised by highly-skilled Jordanian doctors who are specialized in all types of therapy and medicine, as Jordan welcomes more than 100,000 Arab citizens annually for treatment and who have gone under advanced surgeries, to mention; open heart surgeries, kidney transplant operations, treatment of infertility, and others.

■ Religious Tourism

Religious tourism means visiting the historical religious sites of the country. As Jordan is famous for having coexistence and religious tolerance, the country pays a great attention to the maintenance of all of its religious sites to attract visitors from all around the world. The Kingdom is rich with these religious sites, such as; the tombs of the noble companions of Prophet Mohammad (PBUH), to mention; Ja'far ibn Abi Talib, Abd Allah ibn Rawahah, Zaid bin Haritha, Abu Ubaidah ibn al-Jarrah, Sharhabeel bin Hasanah, Dirar bin Al-Azwar; in addition to other religious places, including the Baptism of Jesus, Tel Mar Elias, Mount Nebo, and the toms of Prophet Shu'ayb, Prophet Al-Khader, Prophet Lot, and Prophet Haroun (Peace be upon them).

■ Summer Tourism

Jordan enjoys a distinctive environmental aspects which tourists are able to enjoy whether through the Pine Mountains, or green valleys and water bodies, to oasis, deserts, and the colorful world of the Red Sea in addition to

others. Moreover, visitors will get to try the therapeutic mud of the Dead Sea, and the natural reserves, water-falls, hot springs, as well as the available camping spots.

This special atmosphere and variation have made Jordan a favorable destination for tourists to enjoy their summer vacations, especially in the forests of Ajloun and Debbin. Visitors will enjoy the refreshing weather of the capital city of Amman and the mountainous areas where many gardens and parks are available.

■ Sport Tourism

Waterskiing, swimming, fishing, hunting, and mountain climbing covering the various parts of the country are some of the activities that can be enjoyed in Aqaba, Wadi Rum, and Al-Azraq.

■ Winter Tourism

It includes resorting during the winter season, or part of it, to the places of natural warmth in the country such as: the Jordan Valley, the Dead Sea, and Aqaba.



III. Business Environment

Jordan has a sound and solid economy that is resilient to domestic and external shocks and able to achieve stable and sustainable growth rates. The economic vision seeks to consolidate the foundations of the Jordanian State and achieve the aspirations of its people through providing them with opportunities to occupy the jobs they are well qualified for. It also seeks fair distribution of the national wealth among all citizens through a taxation system that takes from profit makers to spend on public projects that ensures welfare for all. The country also relies on a social security system that guarantees those unable to produce an acceptable level of a decent living. In 2000, Jordan signed a Free Trade Agreement with the USA to mark the country’s first step in the long-term path to liberalize the economy and sustain a steady economic growth, it has become as well on that year, the 136th member of the World Trade Organization.

The country’s efforts extended thereafter to sign several Free Trade Agreements with European and Arab countries, as well as Singapore and Canada which aimed at facilitating exports movements between the contracting parties and create affluent local markets that have access to a vast sample of customers attracting businesses and easing business doing.

Moreover, Jordan has implemented several reform projects in cooperation with the IMF and the World Bank and initiated other national projects, such as the “Privatization” project which started in the early 90s when a number of governmental institutions went under full privatization. The movement came with the objective of reinforcing the contribution of foreign investments in the local markets activating foreign investors’ role in reaching a prosper economy.

The Jordanian market has been preferred and targeted by investors and business owners as the most stable environment in the Middle East, on both economic and political levels,



with the ongoing conflicts in the region. The Hashemites have succeeded to peacefully lead the country through any challenges to be ranked 98 in the Global Peace Index of 2018¹ standing in the face of all external threats while maintaining friendly relationships with the neighboring countries in the region which increased trust of local and foreign investors in the country's steadiness and the strength of its economy and were rest assured to invest in a safe country.

As a country that is poor with natural resources of gas, oil, and water, Jordan heavily relies on its competent human resources. The country is famous for having young workforce aged between 20 and 30 that forms the highest portion of its population.

Moreover, education in Jordan is one of the sectors that are witnessing continuous developments and a growing demand, and it has proven to graduate well-educated and competent workforce that is capable of meeting the national and international markets' needs. The government has therefore allocated a huge financial budget with the aim of improving the outcomes of the educational system.

The Jordanian authorities' endeavor has not ceased in easing the business doing in Jordan for which the Jordan Investment Commission has been established as a one-stop service window.

The Jordan Investment Commission was set up in May 2014 as part of the Jordanian government's effort to streamline and unify the nation's major government investment institutions.

¹ Page 9, <https://reliefweb.int/sites/reliefweb.int/files/resources/Global-Peace-Index-2018-2.pdf>



IV. Judicial and Legal System in Jordan

The judicial system in any country aims to administrate justice between citizens, achieve equality among them, safeguard their rights and protect them, as Article No. (6/1) of the Hashemite Kingdom of Jordan Constitution states: “Jordanians shall be equal before the Law. There shall be no discrimination between them as regards to their rights and duties, on grounds of race, language or religion”, also Article No. (27) of the Jordanian Constitution stipulates: “The Judicial Power shall be exercised by different courts of law, and all judgments shall be given in accordance with the law and pronounced by the name of the King”, in addition to Article No. (97) of the Constitution which stipulates: “Judges are independent, and in the exercise of their judicial functions they are subject to no authority other than law”. As part of the country’s democratic system, Jordan implements the principle of separation between powers under which the Legislature shall be entrusted to the National Assembly, the Executive power shall be entrusted to the ministries, and the Judicial power shall be entrusted to the courts. The Judicial Council is part of the judicial power and has the authority to organize the courts’ performance and oversees the judges.²



² www.jc.jo

The Ministry of Justice is the executive arm of the Jordanian judicial system which was established on April 11, 1921. The Ministry performs its duties and responsibilities through an organizational chart which consists of: The Minister of Justice, General Secretary, Judicial Inspection Directorate, The Judicial Institute of Jordan, Financial Disclosure Circle, The Directorates of Administration and Human Resources, Finance Department, IT Department, Communication, Court administration, Legal affairs and international cooperation, Human rights and family matters, Policy unit and institutional development unit, and internal control.³

The laws and the legislations that support the judicial system are: the Jordanian Constitution, Independence of Judicial Law, Judicial Conduct Code, Judicial Service Regulation, Social Solidarity Fund Regulation, Judicial Inspection Regulation, Gradual Judge Regulation, and Legislation and Opinion Bureau.

■ Courts in Jordan:

A. Regular Courts.

B. Special Courts.

C. Religious Courts.

A. Regular Courts:

Courts which settle civil and criminal disputes between individuals among themselves or between them and the government, when it is treated as a normal person, except for issues which their right of soke may be delegated to the religious courts, or the special courts according to the Constitution or any other legislation.

Jurisdiction of courts in Jordan is defined based on:

1. Jurisdiction of value: which is based on the value of the lawsuit.
2. Jurisdiction of qualitative: which is based on the type and nature of the lawsuit.
3. Jurisdiction of venue: which is based on the geographical location of the court where a lawsuit is commenced.

The types of Regular Courts:

1. The Magistrate Court and Courts of First Instance, which form courts of first level of litigation .
2. The Appeal Courts, which form the second instance courts.
3. Court of Cassation.

First: Magistrate Courts:

It is a court of merits, and it's distributed all over the Kingdom geographically and administratively, and it pursues the authority given to it by the Magistrates Courts Law, or any other law or legislation.

Competency:

- a. Civil lawsuits: Provided that the value of the claimed amount doesn't exceed ten thousand Jordanian Dinars (JD10,000).
 1. Rights claims and trade claims that are related to debt or movable or immovable property, provided that the value of the claimed mustn't exceed ten thousand Jordanian Dinars (JD10, 000).
 2. Opposite cases whatever the amount may be.
 3. Damages claims provided that the value of the claimed mustn't exceed ten thousand Jordanian Dinars (JD10, 000).

³ www.moj.gov.jo

4. Opposite damages claims related to the original case within the jurisdiction of the magistrate judges whatever is the amount of the opposite case.
5. Any ramify from the original case of interest, damages, advantages, and expenses, whatever the amount is.
6. Liquefier right and right of way and drinking right cases, which it companions prevented from the right of using it.
7. Re-suit hand on the property that was taken away from its owner whatever was the amount of it, provided that no one faces up with the sentence by the same property.
8. Leasehold evacuation cases whatever the amount may be.
9. The division of immovable shared property cases whatever the value of it.
10. Any labor cases according to Article No. (137/a) of Labor Law No. (8) of 1996 which stipulates that: (The Magistrate Court can cognizance to hear the lawsuits arising out of individual work disputes except the lawsuits pertaining to the wages where the Wages Authority shall be competent to hear expediently pursuant to this law whereby the lawsuit shall be finalized within three months from the date of its receipt by the Court).

- b. Criminal cases:- the Magistrate Court specializes in all kind of violations, perjury crime, untruthful oath emerging in magistrate cases, and misdemeanor which maximum penalty doesn't exceed two years of imprisonment, except:
1. Internal and external security of the country misdemeanor.
 2. Any other misdemeanor which the Magistrate Courts are not allowed to work on.

The deadline to appeal the decisions of the Magistrate Courts: Ten (10) days from the next date of issuing the decision or notifying the opponent.

Second: Courts of First Instance:

A general jurisdiction court in civil, criminal, and commercial cases, except for what have been exempted by a special provision, and a court of merits as well, and looks into cases where the value of the claimed amount is more than ten thousand Jordanian Dinars (JD10, 000). First Instance Court consists of a president and a number of judges as needed, and it is distributed all over the Kingdom.

Competency:

- a. As a Court of First Instance, it's specialized in all civil and criminal cases that are not delegated to any other court.
- b. As an Appeal Court, it is composed in this case of two judges to look into the civil and criminal cases, and its specialization would fall into:-
 1. Appeals of the appealed decisions by Magistrate Courts, if allowed by the law.
 2. Appeals of any sentence, if allowed by any other law to be appealed by the Court of First Instance.

The deadline to appeal the decisions of the First Instance Court: Thirty (30) days from the next date of issuing the decision or notifying the opponent.

Third: Appeal Courts:

There are three appeal courts in the Kingdom, located in Amman, Irbid, and Ma'an, and each one of these courts comprises of a president and a number of judges as needed. Appeal Courts look into cases only which the Magistrate Court or the Court of First Instance has given a decision according to the nature of the case, and it can be only held by at least three judges to look into the appeals of decision in criminal and civil cases.

Competency:

- a. Appeals from any First Instance Court.
- b. In cases which the Magistrate Courts Law stipulates that the issued decision must be appealed before the Appeal Court.
- c. Any appeal received under any other law.
- d. Requests of the appointment of competent authority if a dispute on jurisdiction happened.

The deadline to appeal the decisions of the Appeal Court:

Thirty (30) days from the next date of issuing the decision or notifying the opponent.

Fourth: Court of Cassation:

There is only one Court of Cassation in the Kingdom which is located in Amman. The Cassation Court is considered a court of law, which means that it checks the suitability of the applied laws to the appealed cases in relation to facts and evidences only. It is headed by the president of the Judicial Council, along with a number of judges as much as needed, and it is only held by at least five judges at its regular jury which is headed by the oldest judge, meanwhile, if the Appeal Court insisted on its quashed decision, or if the appealed case consist of new legal issue, or if it is complicated, or involving a public importance, or if one of its juries thought that it is a must to cancel a concept which was settled previously, then it will be held by a public jury from a president and eight judges. The issuance of its decisions must be done unanimously or by majority.

Competency:

- a. As a civil court:
 1. If there is a disagreement in judgments which is based on a new legal point, a complicated matter or of general importance,

that has been approved by the Court of Cassation's President, who after reviewing the documents and the appeal decision has the power to approve or refuse the appeal. *

2. The appeals of the decisions and the provisions of the Appeal Court in civil cases by the First Instance Courts, where the alleged amount is more than ten thousand Jordanian Dinars (JD10, 000), after getting a permission of cassation from the president of the Court of Cassation or any authorized person there through.

- b. As a criminal court:

1. The appeals of the decisions and the provisions of the appeal court in criminal cases.
2. The appeals of the decisions and the provisions that any law says it can be appealed before the court of cassation.

The deadline to appeal the decisions of the Cassation Court:

The verdict of the Cassation Court is final and not subject to any kind of appeals.

Fifth: Administrative Courts and Supreme Administrative Court:

The Jordanian Administrative Judiciary Law No. (27) of 2014 replaced the Law of High Court of Justice, and stipulated on establishing administrative judiciary on two levels; the Administrative Court and the Supreme Administrative Court which consists of a president with at least two judges, located in Amman.

* Article 10/B of Law No. 17 of 2001 Formation of Regular Courts

Competency:

- It looks into all appeals of final administrative decisions, which are:
 - a. Appealing the results of the elections of these councils: Municipal Council, Industry and Commerce Chambers, unions, associations and clubs that are registered in the Kingdom, and any other electoral appeals happening according to the laws and the legislations, unless there is a provision in another law giving the jurisdiction to another court.
 - b. Appeals filed by concerned parties in the final administrative decisions of the appointment in public jobs, related to the annual increase, promotions, transferring, assignment, secondment, commissioning, or classification.
 - c. Requests of public officials to cancel the final administrative decisions that are issued to retire them, or lodgment them, or to dismiss them from their jobs, or losing it, or suspending them from work without any legal reason.
 - d. Appeals of public official to cancel the final administrative decisions about dismissing them from their jobs, or suspending them from work.
 - e. Appeals related to public officials' salaries, allowances and bonuses, annual increases and pension rights, or who already retired, or to their inheritors according to the active legislations.
 - f. Appeals by any aggrieved to cancel any instructions, decisions, or legislations that are against the law or any instructions or legislations related to it.
 - g. Appeals by any aggrieved to cancel the final administrative decisions even if it's immune by the law issued according to it.
 - h. Appealing any final decisions from a jurisdiction administrative authorities, except the decisions of conciliation and arbitration committees which are related to labor disputes.

- i. Appeals which are of the administrative court's competence according to other laws.

The deadline to appeal the Administrative Court decisions:

It is possible to appeal the decisions of the Administrative Court before the Supreme Administrative Court within 30 days from the date of issuance.

B. Special Courts:

This kind of courts are divided into two sections:

- a. Special courts which all of its judges are regular, and these include:
 1. Income Tax Court of Appeals
 2. First Instance Court of Customs
 3. Major Crimes Court
 4. Land and Water Settlement Court
 5. Municipal Courts
 6. Country's Property Maintenance Court
- b. Special courts which all of its judges or some of them are irregular, such as military courts.

C. Religious Courts:

This kind of courts is not related to the Ministry of Justice or the regular courts, it is rather related to Supreme Judge Department, and it includes:

- a. Islamic Courts:

It implements the Provisions of the Islamic law beside the Islamic Jurisdiction Law No. (31) of (1959), and Personal Status Law No. (61) of (1976). Religious courts include the primary Islamic courts, appeal Islamic courts, and the Supreme Islamic Court, and they specialize in:

1. Personal status matters such as marriage and divorce.
2. Blood money if both parties were Muslims, or one of them is a Non-Muslim and both of them agreed on its jurisdiction.
3. Matters related to Awqaf and Islamic affairs.

b. The tribunals of other religious communities (ecclesiastical courts):

The provisions of the Jordanian law stipulated that other religious communities, which are accredited in the Kingdom, have the right to establish courts called the tribunals of other religious communities, as these have the competence to look into personal status matters related to these communities, and it doesn't follow regular judiciary, and the criteria to specify personal status is by comparing it with Muslims personal status according to how much the rules of the religious community will permit.

Jordanian Lawyers:

Lawyers are the courts' assistants who are specialized in providing the legal and judicial assistance by practicing law. Lawyers provide several kinds of legal services, such as representing clients before courts, providing legal consultations, establishing companies and all other related procedures.

In Jordan, the lawyer cannot practice law without obtaining the legal license from Jordan Bar Association after passing a two (2) year field training in addition to other examinations.



How to Start a Business

Legal Entities and Registration Procedures:

As an investor, you have first to register your company as any of the six legal entities types in Jordan as provided by the Jordanian Companies Law No. (4) of 2002 before the Company Control Department at the Ministry of Trade, Industry, and Supply:

- **Limited Liability Company**
- **Shareholding Company**
- **Limited Partnership**
- **Joint Company**
- **Offshore Company**
- **Foreign Company**





Competent Authority: Companies Control Department at the Ministry of Industry, Trade and Supply, except for individual companies which must be registered only upon the approval of the Minister of Industry, Trade and Supply as it is registered in the name of only one person.

A Brief about Registration Procedures:

The below gives insight about the registration procedures needed for companies in Jordan, to be detailed separately for each company type within the Guide.

1. Prepare the following legalized documents:
 - Registration form
 - ID/ Passport for non-Jordanians
 - Signed contract
 - Signatories
 - Prior Approvals
 - Power of attorney
2. Head to CCD⁴
3. Submit the registration application and needed documents
4. If you are registering a Limited Liability or a Shareholding Company submit:
 - AOA⁵
 - MOA⁶
5. Decision issuing within the specified time for each company
6. Pay the fees.
7. Deposit part of the capital if needed.
8. Receive the certificate

4 Companies Control Department

5 Article of Association

6 Memorandum of Association

Limited Liability Company (LLC)

■ What is a Limited Liability Company?

Limited liability companies are those consisting of at least two partners, whose liability is independent from the company's and does not exceed the invested amount in the partnership.

The Companies Controller may agree to register a limited liability company comprised of one person in some special cases.

Due to its limited liability, this type is the most registered at Jordan Ministry of Industry, Trade and Supply.

■ What is the minimum capital required to register an LLC? ⁷

The minimum capital of an LLC is one (1) Dinar fixed in Jordanian Dinars.⁸

The capital is divided into indivisible shares of equal value of not less than one Dinar each.

A limited liability company may not offer its shares for public subscription, increase its capital or borrow by subscription.

■ What shall the name of an LLC be composed of? ⁹

A limited liability company's name must be composed of two parts; the name which shall reflect the company's objectives and the words "Limited Liability", which can also be abbreviated by the letters "L.L.C", following the name.

■ Do I need any prior approvals before registration?

You may need certain types of approvals before proceeding with the establishment of the company, this depends on the type of your project investment.

(Please refer to: How to License Your Business section)

■ How Can I Register an LLC?

First, you will need to prepare the following documents:

1. Registration form which can be obtained from the Companies Control Department or downloaded from their website¹⁰ (www.ccd.gov.jo).
2. If the partner will be a company, you need to submit the registration certificate of the company.
3. Passport for Non-Jordanian.
4. The article and memorandum of association.

⁷ Jordanian Companies Law no. (22) of 1997, Art. (54)

⁸ Limited Liability Company's Capital Identification Regulation No. (17) of 2011

⁹ Jordanian Companies Law no. (22) of 1997, Art. (55)

¹⁰ Companies Control Department website: www.ccd.gov.jo/

5. Power of Attorney.
6. A no-objection letter for Non-Jordanians.

Note:

All documents shall be legalized up to the Jordanian Consulate in the country of issuance. To legalize these documents:

Step 1: In the country of issuance: Notary Public >>Ministry of Foreign Affairs>> Jordanian Consulate

Step 2: In Jordan: Ministry of Foreign and Expatriates Affairs

Second, you will have to follow the following registration procedures:¹¹

1. Fill the registration form which shall be signed before:
 - The Controller or before any person delegated by him in writing or,
 - Notary Public or,
 - A licensed lawyer
2. Attach the previously-mentioned documents along with the article and memorandum of association with the submitted form.
 - A. The limited liability company's articles of association shall incorporate the following particulars:
 - Name of the company, its objectives and its headquarters.
 - Names of the shareholders, their nationalities and the selected notification address of each of them.
 - Amount of capital and the shares of each shareholder therein.
 - Statement of the in-kind share(s) in the capital, name of the shareholder who presented such shares and their estimated values.
 - Any other additional data which the shareholders may submit or which the controller may request in implementation of the provisions of the law.
 - B. The memorandum of association of the Limited Liability Company must include the information mentioned above in addition to the following information:
 - The manner of managing the company, the number of members in the management committee, the committee's powers including the limit and ceiling of borrowing, mortgaging the company assets and guaranteeing others in a manner that realizes the interest of the company and its objectives.
 - Conditions for transferring the shares in the company and the procedures to be followed in that respect and the form of writing the transfer.
 - The manner of distributing the profits and losses to the shareholders.

¹¹ Jordanian Companies Law no. (22) of 1997, Art. (57)

- Meetings of the company's general assembly and management committee, their legal quorum, and the quorum needed for taking decisions thereby, the procedures regarding the manner of holding the said meetings and the invitation procedures for attending same.
 - Rules and procedures pertaining to the liquidation of the Company.
 - Any other additional information furnished by the shareholders or requested by the Controller.
3. Submit the registration form along with the attached document to the Companies Controller Department (The Department) at the Ministry of Industry, Trade, and Supply.
 4. Revert to the department after 15 days from the date of submission of the registration application, when the controller shall issue his decision of the approval or refusal of the registration of the company.
 5. After receiving the approval decision, the partners shall bring a bank deposit statement of 50% of the company's capital upon the request of the controller.
 6. Pay the registration fees and other related fees before the controller and obtain the issued registration certificate.
 7. The company registration shall accordingly be published in the Official Gazette.

Notes:

- In all cases, it's a must to pay the rest of the company's capital during the two (2) years that follow the registration, and the money can be used only for the purposes of the company.
- If the company's capital exceeded twenty thousand Jordanian Dinars (JD20, 000), it must appoint an attorney or a lawyer.¹²

■ **Company Management**

The Manager or Management Committee¹³

The Company shall be managed by a manager or management committee whose members shall not be less than two and not more than seven, whether they are shareholders or others, in accordance with the company's memorandum of association for a period of four years. The memorandum may provide for a shorter period. The management committee shall elect a chairman, a deputy chairman and those authorized to sign on behalf of the company.

The Company's General Assembly¹⁴

The general assembly of a limited liability company is composed of all the shareholders therein, and shall hold one annual meeting during the first four months of the company fiscal year upon the invitation of either its manager or the chairman of the management committee.

¹² Jordan Association Bar Law No. (25) of 2014 amending Law No.(11) of 1972

¹³ Jordanian Companies Law no. (22) of 1997, Art. (60)/A

¹⁴ Jordanian Companies Law no. (22) of 1997, Art. (64)

Each shareholder in an LLC shall be notified to attend the meetings of the general assembly whether these meetings are ordinary or extraordinary. Invitations shall be delivered by hand against a signature of receipt, or sent via registered mail at least fifteen days prior to the date set for the meeting.

The agenda for the ordinary general assembly meeting¹⁵

The agenda of the LLC’s general assembly in its ordinary annual meeting shall include the following:

1. Discussion of the report prepared by the manager or the management committee on the company’s operations, activities, financial position during the past fiscal year, and future company plans.
2. Discussion and approval of the balance sheet, profit and loss account and cash flow of the company after hearing and discussing the report of the auditors.
3. Election of the company’s manager or its management committee, as the case may be, in accordance with the law.
4. Election of the company’s auditors and determination of his remuneration.

Any other matters which the company manager or management committee may present to the general assembly, or any issue presented by any shareholder which the general assembly accepts to discuss.

■ What fees do I need to pay?

Registration fees	JD 0.002 of the registered capital value, noticing that the fees must be no less than JD250
Capital stamps	JD 0.003 of the registered capital value
Depositing a power of attorney	JD 10
Submitting power of attorney ¹⁶	JD 40
Publishing in the official gazette fees	JD 15
Bank depose	JD 10
Depositing AOA and MOA	JD10
The registration certificate	JD10

¹⁵ Jordanian Companies Law no. (22) of 1997, Art. (66)/A

¹⁶ Licensing Guide of Jordan Investment Commission

Shareholding Company

■ What is a Shareholding Company?

A shareholding company is the type of companies where the capital is divided into tradable shares, and the company is considered as a separate legal entity from its shareholders, which means it has an independent legal personality from its equity holders. Two types of shareholding companies can be registered; public shareholding companies and private shareholding companies.

First: Public Shareholding Companies:

This kind of companies shall consist of not less than two founders who subscribe for shares that can be listed on the stock exchange and may be traded and transferred in accordance with the provisions of the law. In some special cases however, the Minister of Industry, Trade & Supply upon a justifiable recommendation by the companies' controller, may approve the establishment by one person, or in case the company ownership devolves to one person in the event he purchases all its shares.

The financial liability of the public shareholding company is deemed independent from the financial liability of each shareholder therein by which he shall not be liable before the company for its debts and obligations except in proportion of his owned shares.

The term of the public shareholding company shall be indefinite unless the objectives thereof is to realize a certain business, in which case, the duration thereof shall end upon the completion of that business.

■ What is the minimum capital required for a public shareholding company?¹⁷

The authorized capital of the public shareholding company shall not be less than five hundred thousand Jordanian Dinars (JD 500,000) and the subscribed capital shall be at least one hundred thousand Jordanian Dinars (JD100,000) or twenty percent (20%) of the authorized capital, whichever is greater. The capital must be fixed in Jordanian Dinars and the authorized capital shall be divided into nominal shares at a par-value of one dinar each.

The share of a public shareholding company shall be indivisible. However, the heirs may jointly own one share as the successors of their predecessor. This provision shall also apply to the heirs if they have jointly inherited more than one share of their predecessor's estate, provided that they, in both cases, choose one of them to represent them in and before the company. Should they fail to do so within the period determined by the company's board of directors, the board may appoint one of them to be their representative.

¹⁷ Jordanian Companies Law no. (22) of 1997, Art. (95)

■ What type of shares can be subscribed in a public shareholding company?¹⁸

A. Cash shares:

The value of this type of shares shall be paid in one installment.

B. In-kind shares:

The company's shares may be in-kind given against in-kind payments evaluated in cash. They include the concession rights, patent rights, technical know-how and other intangible rights, and the owners of these in-kind shares shall enjoy the same rights enjoyed by owners of cash shares in the same company.

■ What shall the name of a shareholding be composed of?¹⁹

A shareholding's name must be composed of two parts; the name reflecting the company's objectives, and the words "Limited Public Shareholding Company".

The company shall not be registered in the name of a natural person unless the objective thereof is the exploitation of a patent duly registered in the name of the said person.

■ Do I need any prior approvals before registration?

You may need certain types of approvals before proceeding with the establishment of the company, this depends on the type of your project investment.

(Please refer to How to License Your Business section)

■ Are there any type of business limited to public shareholding companies?²⁰

Yes, the following operations may not be carried out, except by public shareholding companies:

1. Banking operations, financial institutions and all types of insurance.
2. Companies awarded concessions.

■ How can I register a public shareholding?

First: prepare the following documents:²¹

1. Registration form²²
2. Passport for Non-Jordanians
3. If the partner will be a company, you need to submit the registration certificate of the company.

18 Jordanian Companies Law no. (22) of 1997, Art. (97)

19 Jordanian Companies Law no. (22) of 1997, Art. (90)/c

20 Jordanian Companies Law no. (22) of 1997, Art. (93)

21 Jordanian Companies Law no. (22) of 1997, Art. (92)

22 Requirements 1-4 and 10, Investment Window Licensing Guide of 2015

4. Prior approvals
5. The company's articles of association
6. The memorandum of association
7. Names of the company's founders.
8. The founders' minutes of meeting that include the election of the founders' committee who will supervise the founding procedures and set the signing authorization on behalf of the company during the formation period.
9. Name of the auditor chosen by the founders for the formation period
10. Power of Attorney (If the applicant is not the investor himself)

Note:

All documents shall be legalized up to the Jordanian Consulate in the country of issuance. To legalize these documents:

Step 1: In the country of issuance: Notary Public >> Ministry of Foreign Affairs >> Jordanian Consulate

Step 2: In Jordan: Ministry of Foreign and Expatriates Affairs

Second, follow the registration procedure below²³

1. Submit the registration form to the companies' controller at the Ministry of Industry, Trade & Supplies, and attach the previously-mentioned required documents along with the form.
 - The shareholding company's articles of association and memorandum of association should include the following information:
 1. Name of the company
 2. Company's headquarters.
 3. Objectives of the company.
 4. Names of the company's founders, their nationalities, chosen notification addresses, and the number of shares subscribed for.
 5. The authorized capital of the company and the subscribed part thereof.
 6. A statement of the in-kind shares in the company, if any, and the value thereof.
 7. Whether the shareholders and the holders of convertible bonds hold preemptive right to subscribe for any new issues to be made by the company.

²³ Jordanian Companies Law no. (22) of 1997, Art. (92)

8. The manner in which the company is managed and the authorized signatories during the period between its founding and the first general assembly meeting which should be held within sixty days of the date of founding of the company.
9. Specification of the manner, form, and method of inviting the company's board of directors to its meeting.

Note: The articles of association and memorandum of association of the public shareholding company shall be signed by each founder before:

- The controller or any person delegated by him in writing or
 - Before a Notary Public or a licensed lawyer.
2. The founders should underwrite the paid-in capital (the entire value of the shares subscribed for them), upon the signing of the articles and memorandum of association of the company, they shall provide the controller with evidence to that effect.²⁴

Provided that:

- The shareholding of the founders of the Public Shareholding Company shall not exceed 75% of the authorized capital upon its founding.
 - The percentage of shares subscribed for by the founders in banks and financial institutions shall not exceed 50% of the authorized capital and,
 - The number of founders therein shall not be less than fifty (50) persons,
3. The controller shall submit his recommendation within 30 days of the submission of the registration application with the signed memorandum and articles of association.
 4. Revert to the department within 30²⁵ days when the Minister shall issue his decision of the approval or refusal of the registration upon the recommendation of the controller.
 5. In case of approval, pay the registration fees and other related fees at the Companies Control Department and obtain the issued registration certificate.
 6. The company registration shall accordingly be published in the Official Gazette.

Third: offer the remaining shares of the company for subscription.

■ **What is shares subscription?**²⁶

The subscription is defined as the offering/submission of the company's share for the first time, or of the increase shares for already established companies, to the public.

²⁴ Jordanian Companies Law no. (22) of 1997, Art. (95)

²⁵ Jordanian Companies Law no. (22) of 1997, Art. (94)

²⁶ <http://www.ase.com.jo/sites/default/files>

■ What are the types of subscription?

The initial subscription:

Also referred to as Initial public offering (IPO), is the first subscription of the company's shares after its establishment and is directed to the public.

In IPO, the shares are offered through any of the following means:²⁷

- A. A prospectus, which is issued by the Securities Commission;
- B. An advertisement containing a summary of the prospectus and other information or data required by the commission or authorized thereby pursuant to instructions issued by the board of commissioners of the commission;
- C. A written text attached to or preceding the prospectus, provided the prospectus has come into effect.
 - The issued prospectus shall include the subscription method, the place of subscription, the subscription period, the nominal value of shares, the issue price per share, the total value of stocks and so forth.
 - The subscription is usually done in one of the local banks, which is determined in the prospectus.
 - Private subscription.²⁸

The subscription of the company's unsubscribed shares, which is directed to a certain class of investors to become partners in the public shareholding.²⁹

■ When shall the subscription take place?

The founder or founders' committee should offer the remaining shares for subscription after completing the company's registration.³⁰

However, the partners in the companies transformed from *limited liability* or *limited partnership in shares* or *private shareholding company* to a *public shareholding company* may underwrite the complete difference in the authorized capital of the company or may offer the remaining shares for public or private subscription in accordance with the procedures provided for in the Securities Law.³¹

■ What is the effect if the authorized capital is not fully subscribed?³²

The un-subscribed capital shall be paid within **3 years** of the date of the company's founding.

27 The Securities Law No. (76) for the Year 2002/ Art. (34)/B

28 Instructions of Dealing with Subscription Rights/ Art. (4)

29 Amman Stock Exchange Website

30 Jordan Securities Commission

31 Jordanian Companies Law no. (22) of 1997, Art. (95)

32 Jordanian Companies Law no. (22) of 1997, Art. (95)

Although the founders are prohibited from subscribing in the shares offered for subscription at the founding stage, they may underwrite the remaining shares after the lapse of 3 days from closing the subscription, and if all shares offered for subscription are not underwritten, In the event of default in payment of the un-subscribed capital within the said period, the following should be observed:

1. If the subscribed capital exceeds five hundred thousand Jordanian Dinars (JD500, 000) at the end of the period, the authorized capital of the company shall become its actual subscribed capital.
2. If the subscribed capital is less than five hundred thousand Jordanian Dinars (JD500, 000) at the end of the period, the controller shall issue a warning to the company to pay the necessary difference in the amount with the effect that the actual subscribed capital of the company becomes five hundred thousand Jordanian Dinars (JD 500,000) within 30 days from the date the notice is served to the company. Should the company fail to do so, the controller shall have the right to request the court to liquidate the company.

■ **What is the effect if the subscription in shares exceeded the number of shares offered for subscription?**³³

In that case, the company shall be held responsible for refunding the amount in excess of the value of the public shareholding company's shares offered for public subscription to the subscribers within a maximum period of thirty days from the closing date of the said subscription or the determination of the allocation of shares, whichever is earlier. Should the company fail to do so for any reason whatsoever, then those entitled to such amounts shall receive interest thereon to be computed as of the beginning of the month immediately following the thirty days period.

This interest shall be equal to the highest interest rate prevailing between Jordanian Banks on time deposits during that month.

Principals of subscription in shares:³⁴

1. It is not permitted for more than one person to participate in one subscription application in the offered shares, and the fictitious subscriptions or subscription in fictitious names are prohibited and will be considered invalid.
2. Subscription in the shares of the public shareholding company shall take place in a manner that conforms to the provisions of Jordanian companies' law and other applicable laws.

The period during which a founding share may not be disposed of and exception to this prohibition:³⁵

The founding shares in the public shareholding company may not be disposed of prior to the lapse of at least two years from the founding of the company, but there is an exclusion from the this restriction which is the transfer of founders' shares to the heirs and between spouses, ancestors and descendants, as well as transfers among the founders themselves, and the transfer of the founders' share to third parties under a judicial decision, or as a result of selling same at public auction.

33 Jordanian Companies Law no. (22) of 1997, Art. (104) & (105)

34 Jordanian Companies Law no. (22) of 1997, Art. (102)

35 Jordanian Companies Law no. (22) of 1997, Art. (100)

Note:

The company shall provide the controller, within a period not exceeding thirty days from the closing date of any subscription in the shares of the public shareholding company, with a statement containing the names of subscribers and the value of the shares subscribed for by each one of them.

- The powers and functions of the founders' committee of the public shareholding committee shall cease upon the election of the first board of directors of the company and same shall hand over to this Board all documents and instruments related to the company.³⁶

Forth³⁷: holding the first meeting of the general assembly of the company and submit the MOM to the controller.

The company's management shall entrust a member of the founder's committee to preside the first meeting of the general assembly of the company. The general assembly shall carry out the following during the meeting:

1. Review the report of the company's founders' committee who are entrusted with management of the company, which should include sufficient information and data related to the founding activities and procedures along with supporting documents. The general assembly shall also ascertain the information and data's authenticity and to what extent they conform to the law and to the company's memorandum of association.
2. Review and discuss the audited founding expenses that are authenticated by the company's auditor and to take the appropriate decisions in their respect
3. Elect the first board of directors of the company.
4. Appoint an auditor or auditors for the company and to fix their remuneration or to authorize the board of directors to fix same.

The chairman of the first board of directors of the company shall provide the controller with a copy of the minutes of the first meeting of the company's general assembly together with the documents and statements submitted by the company's founders' committee to the general assembly within 15 days from the date of the first meeting of the general assembly.³⁸

■ Shares trading

The selling and buying of shares at the stock exchange³⁹, providing that:

Only securities deposited with the center may be traded in the market, except where otherwise provided by the board.

36 Jordanian Companies Law no. (22) of 1997, Art. (106)/C

37 Jordanian Companies Law no. (22) of 1997, Art. (106)

38 Jordanian Companies Law no. (22) of 1997, Art. (108)

39 <http://www.ase.com.jo/sites/default/files>

No Jordanian issuer shall list its securities on a stock exchange or trading market in securities outside the Kingdom without the board's prior approval.

Stock Exchange (Amman Financial Market): is the regulating market of the securities and shares trading

■ **What fees do I need to pay?**⁴⁰

Registration fees	JD(0.002)from the capital noticing that the registration fees must be at least JD(5000)
Stamps fees	JD(0.003) from the capital
Registration certificate	JD 10
Depositing power of attorney	JD 10
Submitting of power of attorney	JD 40
Depositing other documents	JD 10
Copying, attesting any paper in the company file	JD 5
Publishing in the official gazette fees	JD 50

Second: Private Shareholding Companies:

This kind of companies is comprised of two or more persons. The Minister may agree, upon a justified recommendation of the controller, to the registration of a private shareholding company formed of one person, or that the number of its shareholders may become one.

The financial liability of a private shareholding company is considered independent of its shareholders and the company with its property and assets shall be exclusively liable for its debts and obligations. A shareholder shall be liable to the company for such debts and obligations only in the value of his shares in its capital.

The duration of a private shareholding company is unlimited unless its articles and memorandum of association specify otherwise. Then, its period shall end by the conclusion of the period or business specified thereto.

■ **What is the minimum capital required for a private shareholding company?**

The capital of a private shareholding company shall be the total nominal values of the company's shares provided that the subscribed capital shall not be less than JD 50,000.

The capital of the private shareholding company is fixed by the Jordanian Dinar

⁴⁰ <http://www.ccd.gov.jo/ar/home/e-services/fees>

■ What shall the name of a shareholding be composed of?⁴¹

The company's name shall not conflict with its objectives provided that it shall be followed by the term (Private Shareholding Company LTD), wherever it may be mentioned.

■ Do I need any prior approvals before registration?

You may need certain types of approvals before proceeding with the establishment of the company, this depends on the type of your project investment.

(Please refer to How to License Your Business section)

■ Issuance of shares:⁴²

By means of a Board of Directors' decision, a private shareholding company may issue any shares allowed to be issued in its articles or memorandum of association, subject to any conditions or restrictions stipulated in the articles or memorandum of association, or in the general assembly's decisions.

The board of directors may issue the shares allowed to be issued at any value, whether at par value, premium, or below par value, either in cash or in-kind shares, or by any means of converting convertible corporate bonds to shares, or by offering shares to the company's staff or their provident fund, or by any other method, in pursuance to the conditions stipulated by the company's memorandum of association and its general assembly.

The shareholders shall have a priority right to any new issuance of shares, unless the company's memorandum of association stipulate otherwise.

In the event that shares are offered to the company's employees by a special issue, and in the event the company approves granting the employees the subscription option to same within a set period, then the period between the date where the general assembly issues the subscription option and the date of issuing same to the employees who were granted the subscription option in case they make use of it, should not exceed ten years.

In the event a private shareholding company approves a scheme for delivering company shares to its staff or to their provident fund, it should disclose prior to the ownership, transfer to the employees or provident fund, or granting the subscription option, as the case may be, all matters that relate to the company, and that are usually disclosed to shareholders in a public shareholding company, as well as the terms of the scheme. The company shall disclose issues such as, but not limited to:

1. Financial statements related to the company, as well as any important financial information, provided that such information includes the balance sheet, profit and loss account and cash flow statements for the last fiscal year.

41 Jordanian Companies Law no. (22) of 1997, Art. (90)/c

42 Jordanian Companies Law no. (22) of 1997, Art. (81)bis

2. Risks that may result from investment in the company's shares, and the tax effects for such an investment.
3. Restrictions on the transfer of shares' ownership.
4. Mechanism of evaluating shares' value when selling, and the periodical evaluation mechanism, if any.
5. Method of paying the value of shares and their evaluation mechanism, if any.

■ How can I register a private shareholding?

First: prepare the following documents

1. Registration form.⁴³
2. If the partner will be a company, you need to submit the registration certificate of the company.
3. ID for Jordanian nationalities, or the passport for Non-Jordanian.
4. Prior approvals.
5. The company's articles of association.
6. Its memorandum of association.
7. Names of the company's founders.
8. Power of attorney (If the applicant is not the investor himself).

Note:

All documents shall be legalized up to the Jordanian Consulate in the country of issuance. To legalize these documents:

Step 1: In the country of issuance: Notary Public >> Ministry of Foreign Affairs >> Jordanian Consulate

Step 2: In Jordan: Ministry of Foreign and Expatriates Affairs

Second: follow the registration procedure below:⁴⁴

1. Submit the registration form to the Companies' Controller at the Ministry of Industry, Trade & Supply, and attach the previously-mentioned required documents along with the registration form.
 - The company's articles and memorandum of association shall be in Arabic. However, they may be accompanied by a translation into another language. The Arabic text shall be adopted in the case of conflict between the texts.

⁴³ Requirements 1-4 and 10, Investment Window Licensing Guide of 2015

⁴⁴ Investment Window Licensing Guide/ Jordanian Companies Law no. (22) of 1997 Art. (67) bis & Art.(69) bis

- The articles of association and memorandum of association of the public shareholding company shall be signed by each founder before:⁴⁵
 - The Controller or any person delegated by him in writing or
 - Before a Notary Public or,
 - A licensed lawyer

- As agreed upon by the shareholder or founders of the company, the articles of association for a private shareholding company must include the following:
 1. Company's name.
 2. The headquarters of the company for purposes of notifying it when needed.
 3. Company's objectives.
 4. The names of the founders, along with their nationalities, notification addresses and number of shares held by each founder.
 5. The number of authorized shares and company's authorized capital, the type, category and nominal value of the shares.
 6. How the company will be managed, along with the number and powers of the Board of directors.
 7. Names of those who should manage the company until the elections of the first Board of Directors and those entitled to call the convention of the constituent general assembly.

- The memorandum of association of the private shareholding company must contain the following information:
 1. Name of the company.
 2. The company's approved notification address and main office.
 3. Company's objectives.
 4. The names of the founders, their nationalities, notification addresses and share numbers held by each founder.
 5. The number of authorized shares and company's authorized capital, the type, category and nominal value of the shares.
 6. The procedures to follow the transfer of the title of the company share.
 7. Management methods, the basis of decision making of members of the board of directors, and their powers.
 8. The ordinary and extraordinary general assembly meetings, their legal quorum, convening principle, rules and procedures.

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9. Company's liquidation

10. Names of those who should manage the company until the elections of the first board of directors and those entitled to call the convention of the constituent general assembly.

11. Whether priority rights in new company issuance are granted to the shareholders and the holders of securities.

2. The controller and within 15 days⁴⁶ from the date of submitting the registration application, shall issue his decision of the approval or refusal of the registration of the company.

3. In case of approval, shareholders are obliged to at least depose Fifty thousand Jordanian Dinars (50,000) JDs in the bank and provide the controller with evidence of payment.

4. Obtain the registration certificate after paying the registration and other related fees before the Accounting Department and obtain the issued registration certificate.

5. The company's registration shall accordingly be published in the Official Gazette.

Third: hold the constituent meeting within a month⁴⁷

The ordinary general assembly meeting must be held by the shareholders within a month from the date of issuing the registration certificate, concluding the following:

a. The election of the first board of directors for the company.

b. Taking the needed decisions considering the founding expenses and other obligations brought upon by the founders prior to founding.

c. Set the remuneration of the elected auditors or authorize the board of directors to do so.

■ What fees do I need to pay?

Registration fees	JD(0.002)from the capital noticing that the registration fees must be at least JD(1000)
Stamps fees	JD(0.003) from the capital
Registration certificate	JD 10
Depositing power of attorney	JD 10
Submitting of power of attorney	JD 40
Depose other documents	JD 10
Copying, attesting any paper in the company file	JD 5
Publishing in the Official Gazette fees	JD 25

46 Jordanian Companies Law no. (22) of 1997, Art. (69)bis

47 Jordanian Companies Law no. (22) of 1997, Art. (71)bis

Limited Partnership

■ What is a limited partnership?⁴⁸

A Limited Partnerships is a type of companies that consists of the two following categories of partners:

- A. General partners:** who shall manage the partnership and realize its operations. They are also jointly and severally liable for all the partnership's debts and liabilities with their private properties.
- B. Limited partners:** who shall contribute to the capital of the partnership without having the right to manage the company or to realize its operations. The liability of the limited partners towards the company's debts and liabilities is limited to their share in the capital of the company, but in case the limited partner took a part of managing the company then he will be liable for all debts and obligations incurred by the company during his participation in the administration like a joint partner.

■ What is the minimum capital required for registering a limited partnership?⁴⁹

In accordance with the Companies Law there is no minimum capital for registering a limited partnership company unless otherwise was stipulated in other regulations.

■ What shall the name of a limited partnership consist of?⁵⁰

The title of a limited partnership must only consist of the names of the general partners, if there is only one general partner in the partnership, then the phrase "and partners" must be added to his name. The name of any limited partner mustn't appear in the limited partnership's title, and the name of a limited partner can only be mentioned upon his request or with his knowledge, then he shall be responsible as a general partner for the company's debts and liabilities towards other parties, who may have depended, in good faith, in their dealing with the company, on that name.

■ Do I need any prior approvals before registration?

You may need certain types of approvals before proceeding with the establishment of the company; this depends on the type of your project investment.

(Please refer to How to License Your Business section)

48 Jordanian Companies Law no. (22) of 1997, Art. (41)

49 Jordan Investment Commission

50 Jordanian Companies Law no. (22) of 1997, Art. (42)

■ How can I register a limited partnership?

First: prepare the following documents:⁵¹

- Registration form
- Civil status ID for the Jordanian investor
- Passport for the non-Jordanian partner
- Company's contract signed by all the partners
- A statement signed by the partners showing the names of all signatories
- Prior approvals of the competent authorities
- The lawyer's power of attorney

Second: follow the registration procedure below:⁵²

- a. The foreign partners shall depose their entire share at the bank and obtain a deposit statement.
- b. At the Ministry of Industry, Trade & Supplies, submit the registration application to the companies' controller along with the previously-mentioned required documents and the bank deposit statement.
- c. Attach the original company agreement signed by all the partners and a statement signed by each of them.
 - The company's agreement and its statement must include the following details:
 1. Title of the company and its trade name, if any.
 2. Names of the partners, the nationality, age and address of each of them.
 3. Headquarters of the company.
 4. The company's capital and each partner's share therein.
 5. Objectives of the company.
 6. Duration of the company, if it is limited.
 7. Name of the partner or names of the partners authorized to manage and sign on behalf of the company and their powers.

The status of the company in the event of the death, bankruptcy, or the declaration of incompetence of any or all of its partners.

- d. Revert to the department within (15) days when the controller shall issue his decision of approval or refusal.

51 Licensing Manual of Jordan Investment Commission (JIC) Investment Window of 2015

52 Jordanian Companies Law no. (22) of 1997, Art. (11) & Jordan Investment Commission

- e. In case of approval, pay the registration and other official fees.
- f. Obtain the registration certificate.
- g. The decision of establishing the company will be published in the Official Gazette.

If the capital of the company or the annual turnover is more than 100,000 JD, the company must choose a certified auditor to audit the accounts of the company, and if the capital is more than 150,000 JD the company must hire a legal adviser.

■ **What fees do I need to pay?**

Registration fees	JD 25
Registration form	JD 10
Capital stamps	JD (0.003) of the capital
Depositing a power of attorney	JD 10
Submitting power of attorney ⁵³	JD 40
Publishing in the Official Gazette fees	JD 10
Bank deposit	JD 10
Depositing the article of partnership and the deed of association	JD 10
Issuance of registration certificate	JD 10

⁵³ Licensing Manual of Jordan Investment Commission (JIC) Investment Window of 2015

Joint Company

■ What is a joint company?⁵⁴

It is the type of companies that consist of a number of natural persons, not less than 2 and not more than 20 who shall acquire the capacity of a merchant and shall be considered as a practicing commercial business in the name of the partnership. However, an individual must be eighteen (18) years old or above in order to be a partner.

■ What is the minimum capital required to register a joint company?⁵⁵

There is no minimum capital required for registering a joint company unless otherwise was stipulated in other regulations.

■ What shall the name of a joint company be composed of ?⁵⁶

The title of the Joint Company shall include the names of all the partners, or the name of one or more of the partners or his title, provided that, in this case, the phrase “and his partners” or “and partners” is added to his name or their names.

■ Do I need any prior approvals before registration?

You may need certain types of approvals before proceeding with the establishment of the company; this depends on the type of your project investment.

(Please refer to How to License Your Business section)

■ How can I register a joint company?

First: prepare the following documents:⁵⁷

- Registration form
- Civil status ID for the Jordanian partner
- Passport for the non-Jordanian partner
- Company’s contract signed by all the partners
- A statement signed by the partners showing the names of all signatories
- Prior approvals of the competent authorities
- The lawyer’s power of attorney.

54 Jordanian Companies Law no. (22) of 1997, Art. (9)

55 Licensing Manual of Jordan Investment Commission (JIC) Investment Window of 2015

56 Jordanian Companies Law no. (22) of 1997, Art. (10)

57 Licensing Manual of Jordan Investment Commission (JIC) Investment Window of 2015

Note:

All documents shall be legalized up to the Jordanian Consulate in the country of issuance. To legalize these documents:

Step 1: In the country of issuance: Notary Public >> Ministry of Foreign Affairs >> Jordanian Consulate

Step 2: In Jordan: Ministry of Foreign Affairs and Expatriates

Second: follow the registration procedure below:⁵⁸

- a. The foreign partners shall deposit their entire share at the bank and obtain a deposit statement.
- b. At the Ministry of Industry, Trade & Supplies, submit the registration application to the companies' controller along with the previously-mentioned required documents and the bank deposit statement.
- c. Attach as well the original company agreement signed by all the partners and a statement signed by each of them.
 - The company agreement and its statement must include the following details:
 1. Title of the company and its trade name, if any.
 2. Names of the partners the nationality, age and address of each of them.
 3. Headquarters of the company.
 4. The company's capital and each partner's share therein.
 5. Objectives of the company.
 6. Duration of the company, if it is limited.
 7. Name of the partner or names of the partners authorized to manage and sign on behalf of the company and their powers.
 8. The status of the company in the event of the death, bankruptcy, or the declaration of incompetence of any or all of its partners.
- d. Revert to the department within (15) days when the controller shall issue his decision of approval or refusal.
- e. In case of approval, pay the registration fees and other official fees.
- f. Obtain the registration certificate.
- g. The decision of establishing the company will be published in the Official Gazette.

58 Jordanian Companies Law no. (22) of 1997, Art. (11)& Jordan Investment Commission

■ What fees do I need to pay?⁵⁹

Registration fees	JD 25
Registration Form	JD 10
Capital stamps	JD (0.003) of the capital
Depositing a power of attorney	JD 10
Submitting power of attorney ⁶⁰	JD 40
Publishing in the official gazette fees	JD 10
Bank deposite	JD 10
Depositing the article of partnership and the deed of association	JD 10
Issuance of registration certificate	JD 10

⁵⁹ Companies Control Department Website (www.ccd.gov.jo/)

⁶⁰ Licensing Manual of Jordan Investment Commission (JIC) Investment Window of 2015

Offshore Company

■ What is an offshore company?

It is the type of companies registered in Jordan but operating in another country, therefore it's not allowed to pursue any commercial or productive activity in Jordan.

An offshore may be a public shareholding company, a limited partnership in shares or a limited liability company or a private shareholding, while the most commonly registered offshore companies in Jordan are limited liability.

■ What advantages are granted for offshore company?

1. TAX advantages: this kind of companies is exempted of income tax, and this can protect the investor from double taxation between the working country and the country of registration.
2. Supervision: the companies control department supervise this kind of companies, by making the company provide a bank guarantee by monitoring the work of the company and its annual reports.
3. Establishment and operating expenses: the investor establishes the company and operates it at the registration country due to lower of the operating, establishment, and wages expenses.

■ What is the minimum capital required to register an offshore company?

The minimum capital depends on the type of the company.

■ Do I need any prior approvals before registration?

You may need certain types of approvals before proceeding with the establishment of the company, this depends on the type of your project investment.

■ How can I register an offshore company?

First: you will need to prepare the following documents:

1. Passport for non-Jordanian
2. AOA and MOA
3. In case one of the partners was a corporation, you will need the following documents:
4. The company registration certificate
5. Power of attorney from the company shows whose authorized to sign for the company, in case that wasn't clear in the company's other documents.
6. Bank guarantee with the name of the companies' general comptroller, and by this the bank will guarantee the offshore company with JD 5000.

Note:

All documents shall be legalized up to the Jordanian Consulate in the country of issuance. To legalize these documents:

Step 1: In the country of issuance: Notary Public >> Ministry of Foreign Affairs >> Jordanian Consulate

Step 2: In Jordan: Ministry of Foreign Affairs and Expatriates

Second: you will have to follow the following registration procedure:⁶¹

1. Fill the registration form which shall be signed before:
 - The controller or before any person delegated by him in writing or,
 - Notary Public or
 - A licensed lawyer.
2. Attach the previously-mentioned documents along with the article and memorandum of association with the submitted form.
3. Submit the registration form along with the attached document to the companies' controller department (The Department) at the Ministry of Industry, Trade, and Supply
4. The partners shall bring a bank deposit statement of 50% of the company's capital upon the request of the controller.
5. Revert to the department after 15 days from the date of submission of the registration application, when the controller shall issue his decision of the approval or refusal of the registration of the company.
6. After receiving the approval decision, pay the registration fees and other related fees before the controller and obtain the issued registration certificate.
7. The company registration shall accordingly be published in the Official Gazette.

⁶¹ Jordanian Companies Law no. (22) of 1997, Art. (57)

■ What fees do I need to pay?

Registration fees	JD 0.002 of the registered capital value, noticing that the fees must be no less than JD 250
Annual Fees ⁶²	JD 5000 if the registered company is a public shareholding JD 3000 if the registered company is a private shareholding JD1000 if the registered company is an LLC or a partnership in shares
Capital stamps	JD 0.003 of the registered capital value
Depositing a power of attorney	JD 10
Submitting power of attorney ⁶³	JD 40
Publishing in the official gazette fees	JD 15
Bank deposite	JD 10
Depositing the article of partnership and the deed of association	JD 10
The registration certificate	JD 10

⁶² Offshore Companies Regulations No. (105) of year 2007

⁶³ Investment Window Guide

Foreign Companies

There are two types of foreign companies

1. Operational foreign companies
2. Non-operational foreign companies

First: Operational Foreign Companies

■ What is an operational foreign company?

An operational foreign company is the one registered outside Jordan and holds a non-Jordanian nationality. The headquarter of the company is also located outside the country. However the company is not allowed to operate before being registered in compliance with the Jordanian laws and receiving the required permits according to the desired type.

Types:

1. Companies registered to operate for a limited period of time. Registration is obtained through an awarded tender that specifies the period of operation and the registration is ceased upon end of this set period.
2. Companies registered to operate permanently which must obtain license after completing required procedures before competent authorities.

■ Do I need any prior approval before registration?⁶⁴

- The approval of the Government Tenders Department at the Ministry of Public Works & Housing
- The approval of the Ministry of Interior Affairs
- Approvals from other competent authorities.

■ How can I register an operational foreign company?

First: prepare the following documents⁶⁵

- Registration Form
- The company's articles of association and, memorandum of association or any other document related to its foundation, and showing the method of its foundation.
- The official written documents certifying obtaining required approvals from the competent Jordanian authorities to operate in Jordan.

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65 Jordanian Companies Law no. (22) of 1997, Art. (241)

- A list with the names of the board of directors' members, the management committee or the shareholders and their respective nationalities, in addition to the names of the authorized signatories of the company.
- A copy of the Power of Attorney (POA) by virtue of which the company has authorized a person resident in Jordan to carry out its activities and receive service letters/notifications on its behalf.
- The financial statement for the last fiscal year of the company from the head office which must be certified by a licensed auditor.
- Any other necessary information required by the controller.

Note:

All documents shall be legalized up to the Jordanian Consulate in the country of issuance. To legalize these documents:

Step 1: in the country of issuance: *Notary Public >> Ministry of Foreign Affairs >> Jordanian Consulate*

Step 2: in Jordan: *Ministry of Foreign Affairs and Expatriates*

Second: follow the registration procedure below:⁶⁶

1. fill the registration application and sign it by the authorized person to register the company before the controller, or any person authorized in writing, or through the public notary.

The application must contain the following information:

- a. The name of the company, the address, and the capital
 - b. The company business activity and purposes
 - c. Detailed data about the partners and the board of directors in addition to the share of each of them
 - d. Any other necessary information that the controller of companies ask for.
2. Attach the above-mentioned documents with the registration application.
 3. Submit the registration form along with the attached document to the Companies' Controller Department (The Department at the Ministry of Industry, Trade, and Supply).
 4. Revert to the department as the controller shall issue his decision of the approval or refusal of the registration of the company.
 5. After receiving the approval decision, the legal registration procedures of the company or entity in the Foreign Companies Register shall be completed.⁶⁷

⁶⁶ Jordanian Companies Law no. (22) of 1997, Art. (241) & Art. (242)

⁶⁷ Jordanian Companies Law no. (22) of 1997, Art. (242)/ A

6. Pay the registration fees and other related fees and obtain the issued registration certificate.
7. The company's registration shall accordingly be published in the Official Gazette.

■ **What fees do I need to pay?**⁶⁸

Registration fees	JD 5000
Depositing of Documents	JD 10
Depositing a power of attorney	JD 10
Publishing in the Official Gazette fees	JD 15
The registration certificate	JD 10

⁶⁸ Fees List on Company Control Department Website

Second: Non-operational foreign companies

■ What is a non-operational foreign company?

A non-operating company is a Jordan-based regional or representative offices that companies set to manage and coordinate activities and operations between their headquarters. This type of companies are prohibited from conducting any type of business or commercial activities in the Kingdom, and in case of violation, the Ministry of Industry and Trade has the right to end the company's activity, delete its registration from the records, and the company will hold the responsibility for compensation for any loss or damage caused to others.

■ Do I need any prior approvals before registration?⁶⁹

- The approval of the Ministry of Interior Affairs.
- Approvals from other competent authorities.

■ How can I register an operational foreign company?

First: prepare the following documents:⁷⁰

- Registration Form
- Certificate of registration or incorporation of the company in its home country
- The company's articles and memorandum of association showing its objectives, capital and type.
- The power of attorney authorizing a local representative to undertake the company's operations and to register the company in Jordan
- The company's financial statements for the last two fiscal years in its country of origin which must be certified by a licensed auditor.
- Any other necessary information that the controller requests.

Note:

All documents shall be legalized up to the Jordanian Consulate in the country of issuance. To legalize these documents:

Step 1: in the country of issuance: *Notary Public >> Ministry of Foreign Affairs >> Jordanian Consulate*

Step 2: in Jordan: *Ministry of Foreign Affairs and Expatriates*

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70 Jordanian Companies Law no. (22) of 1997, Art. (246)

Second: follow the registration procedure below:⁷¹

1. Fill the registration application and sign it by the authorized person to register the company before the controller of companies, or any person authorized in writing, or through public notary.

The application must include:

- Name of the foreign company, its headquarters, date of its registration and its objectives.
 - Form of the company, its nationality and address in the country of its registration.
 - The capital of the company, names of the founders or partners, the nationality of each, and their share value, along with information about its board of directors.
 - Any other information which the controller deems necessary
2. Attach the above-mentioned documents with the registration application.
 3. Submit the registration form along with the attached document to the Companies Control Department (The department) at the Ministry of Industry, Trade, and Supply.
 4. Revert to the department as the controller shall issue his decision of the approval or refusal of the registration of the company.
 5. After receiving the approval decision, the legal registration procedures of the company or entity in the non-operating foreign companies register shall be completed.⁷²
 6. Pay the registration fees and other related fees and obtain the issued registration certificate.
 7. The company registration shall accordingly be published in the Official Gazette.

Granted advantages to non-operating foreign companies:

1. Exemption from all registration and publication fees required from operating foreign companies.
2. Exemption of profits generated from income and social services taxes outside the Kingdom.
3. Exemption from registration with the Chamber of Commerce, all professional associations, and any payment of fees or obligations in this regard, including commercial licenses.
4. Exemption from income taxes and social services taxes for salaries of non-Jordanian employees of the regional office.
5. Permission to import commercial samples which are exempt from customs duties and import taxes.
6. Exemption from customs duties and all other related fees for imported furniture and office equipment for use in the office.

71 Jordanian Companies Law no. (22) of 1997, Art. (246) & Art. (247)

72 Jordanian Companies Law no. (22) of 1997, Art. (242)/ A

7. The Regional Office may import one car free of customs duty, for the personal use of their non-Jordanian employees.
8. The Minister of Industry and Trade, based upon the recommendation of the Controller of Companies following the companies submitted justification, may approve –the importing of another car free of customs duty.
9. The conditions of exemptions shall be determined in special regulations.

■ **What fees do I need to pay?⁷³**

Registration fees	Exempted
Depositing of Documents	JD 10
Depositing a power of attorney	JD 10
Publishing in the Official Gazette fees	Exempted
The registration certificate	JD 10

⁷³ Fees List on Company Control Department Website

Development Zones

■ What is a development zone?

Development zones are areas that fall within the Kingdom's borders, and therefore are subject to the customs regulations. These areas are served and enjoy a well-developed infrastructure where investors are allowed to perform all types of business activities within these areas, from commercial, industrial, agricultural, tourism, media, or occupational activities, while the type of this activity is determined according to the purpose of starting such a business and the development zone it falls within. In light of this, development areas are considered as a great opportunity to enhance the economic capacity in Jordan, attract the investors, and create an advanced investment environment.

Development areas provide Non-Jordanian investors with the advantage of owning a property without requiring a Jordanian partner, in contrast with the applicable investment system, as the foreigner can buy or rent lands in these development zones or the industrial zones.

Exemptions and financial incentives these areas provide:

1. An income tax of five percent (5%) of the registered corporate's taxable income from its industrial activity inside the development area, providing that the percentage of the added local value on such industries is not less than 30%.
2. An income tax of ten percent (10%) of the registered corporate's taxable income for the rest of its activities inside the development area.
3. Reduction to (zero) to the general tax on sales of goods and services purchased or imported by a registered company for practicing its economic activity inside the development area.
4. Tax refund for registered suppliers of the paid general sales tax on goods sold to companies inside the development zones.⁷⁴
5. 100% foreign ownership.

Development zones in Jordan:

Development zones in Jordan have been determined as following:

1. King Hussein Bin Talal Development Area (KHBTDA): spreads over 21 km² in Al-Mafraq state and it serves the following sectors:
 - a. Light and medium industries, which includes the industry of food and beverages, medical and pharmaceutical supplies, light chemical industries, and other industries.
 - b. Logistic sector
 - c. Residential and commercial services

⁷⁴ Points from 1 to 4: Investment Law No. (30) of 2014 Art. (11)

2. Irbid Development Zone: This area occupies around 3.2 km², and it's divided into four sectors which are:
 - a. Service industries which includes the information and communication technology
 - b. Healthcare
 - c. Scientific research and development
 - d. Residential and commercial services
3. Ma'an Development Zone: The area occupies 9 km² and is divided to serve the four following sectors:
 - a. Industrial park
 - b. Residential community
 - c. Skills development center
 - d. Hajj Oasis, which provides many services to the pilgrims
4. Ajloun Mountain Development Zone: The area extends over 2200 acres, and it has been divided into the following sectors:
 - a. Tourism and environmental development projects
 - b. Hotels and resorts
 - c. Real-estate development projects
 - d. Recreational and services facilities
5. Development business park area: this is the only development area in the capital city of Amman, and it was established to comprise businesses from the following sectors:
 - a. Specialized services sector
 - b. Non-governmental and non-profit organizations and international institutions
 - c. Medical and health services sector
 - d. Education sector
 - e. Housing sector
 - f. Recreational services sector
6. Dead Sea Development Zone: It extends over 40 km², and provides investors with the following investment opportunities:
 - a. Develop three, four, and five stars hotels
 - b. Environmental facilities
 - c. Residential complex
 - d. Community services
 - e. Recreational facilities, restaurants, and resorts
 - f. Conference and exhibition centers

Note:

Hotels, touristic restaurants, touristic entertainment cities, and conferences centers established in the less developed zones are treated similar to development zones in terms that they have been granted exemptions for their economic activities as follow:

- Exemption of imported materials, equipment, machines, replacement parts, production requirements, construction materials from customs fees and other taxes and fees- except for fees in exchange of service.
- Reduction to (zero) of general sales tax for materials, equipment, machines, replacement parts, production requirements, and construction materials imported or purchased from the local markets.

Free Zones

Free zones aim at facilitating the movement of goods between countries by granting many advantages to companies including but not limited to the exemption for registered cargo passing through these areas.

As Jordan enjoys a strategic location that allows it to play an effective commercial role regionally and globally, and in an effort to reinforce this role the government thereafter established several public free zones alongside allowing the establishment of private free zones that are distributed around the Kingdom as follows:

First: Public Free Zones:

1. **Zarqa Free Zone:** Established in 1983 and, located on the north east of the capital of Amman with an area of 5200 dunam.
2. **Sahab Free Zone:** Established in 1983, and located in King Abdullah II Industrial Estate in Sahab in the south east of Amman with an area of 70 dunam.
3. **The Airport Free Zone:** Established in 1998 and, located in Queen Alia International Airport with an area of 35 dunam to serve the incoming air born goods.
4. **Al-Karak Free Zone:** Located at Al-Hussein Bin Abdullah II Industrial Estate in Al-Karak with an area of 143 dunam.
5. **Al Karamah Free Zone:** The opening of the first stage for this zone was at the end of 2004, it is located at Al Mafraq, specifically at the Jordanian-Iraqi borders with a total area of 10,000 dunam.
6. **Al Muwaqqar Industrial Estate:** With a total area of 122 dunam, Al Muwaqqar Industrial Estate is located on the international road to Iraq and the Gulf States, and its 24 km far from Sahab Industrial City, the most important industrial sectors are: Engineering, food, chemical, plastic, textile, and metal.

Second: Private Free Zones:

The government has called on the private sector to participate in developing the country's economy and increasing its competitive position through establishing free zones and administering them.

■ Exemptions and advantages:⁷⁵

Free zones are preferred by local and foreign investors for the many benefits and exemptions provided for companies in these areas:

1. An income tax of five percent (5%) of the registered corporate's taxable income from its industrial activity inside the free area, providing that the percentage of the added local value on such industries is not less than 30%.

⁷⁵ Article 14 of The Jordanian Investment Law No. 30 of 2014

2. An income tax of ten percent (10%) of the registered corporate's taxable income for the rest of its activities inside the free area.
3. Exemption from income tax and social services for the salaries of Non-Jordanian workers at the free zones.
4. Exemption from customs duties, taxes and import duties, and sales taxes for imported goods to the free zones, while the exported goods are exempted from all duties and taxes.
5. Exemption from customs duties and taxes for the produced goods for the purposes of domestic consumption on the value of the used materials and the local costs and expenses related to the manufacturing process, however, the approval of the Free Zone Committee is required on this value.
6. Exemption from licensing and real estate taxes for buildings established at the free zones.
7. Ability to transfer the invested capital and the profits outside the country and using a convertible currency.
8. Exemption of 10% on the annual rent for the land and the construction of industrial projects.

■ **Type of companies that could be registered in development zones and free zones:**⁷⁶

1. Limited liability company(LLC)
2. Limited partnership company
3. Partnership company

■ **How to register a company in these zones:**⁷⁷

1. Registration application for the company as provided for its type in the companies law, alongside the articles and memorandum of association.
2. Personal information about the partners, taking into consideration the need to submit a security approval for non-Jordanian partner.
3. The companies' registrar after receiving a copy of the needed documents shall issue a financial claim containing the fees that the partners should pay.
4. A preliminary certificate of the authorized persons to be signed in front of the registrar
5. The companies' registrar shall receive a lease contract and a license for practicing the investment from the regulator after the investors submit a receipt for paying the fees, noting that the license shall be issued by the concerned district bureau.

⁷⁶ Article 14 of Organizing the investment environment regulation No. 129 of 2015

⁷⁷ <http://www.jfdz.jo>

6. The transaction papers shall be transferred to the Head of the audit division by the registrar to be stamped and signed at the Central Registrar after being audited.
7. The registration of the company will be saved electronically in addition to a folder containing the paper work and the registration shall then be announced in the Official Gazette.
8. The registrar in Al Zarqa, Sahab, Airport and Muwaqer free zones shall sign the company's registration certificate.
9. The regulator of the procedures of the investment units in Al Zarqa Free Zone shall issue a license for practicing investment activity when the fees are paid
10. In the matter of registering an LLC these additional procedures are required:
 - Providing the registrar with a deposit from a local bank of 50% of the company's registered capital.
 - Naming the authorized persons, the auditor and how it will be managed.

How To License Your Business⁷⁸

Before licensing your business in any sector you must obtain the following permits:

A. Environmental Permits:

If the activities of the company is going to impact the environment, the company is obliged to prepare an environmental impact assessment (EIA) for each project or activity the company intended to establish and must submit it to the Ministry of Environment for approval, the Minister may also request from the company to prepare an EIA if deemed necessary for safeguarding the environment.

B. Construction and Occupancy Permits:

Companies performing any construction works require a construction permit prior to do such work. Permits are procured from the relevant municipality depending on where the construction site is located, the permit is set for the duration of the construction phase of the project, after finalizing the construction of the place of business and in order to be able to occupy the buildings and eventually enable the company to commence its activities through the vocational license, an occupancy permit should be obtained from the relevant municipality, and evidence that the works have been constructed according to the conditions of the construction permit. This permit is issued only once and is not renewed.

⁷⁸ Taken from the licensing manual issued by the Investment commission
<https://www.jic.gov.jo/en/licensing-guide/>
<https://www.jic.gov.jo>





C. Vocational License:

In order for any company to be able to do its activities, it should obtain a vocational license from the relevant municipality depending on where the company is located, such license is required to ensure that the place of business is suitable for conducting its activities.

The entrepreneur must submit a complete application form along with the following documents in order to obtain a vocational license from the municipality:

- Planning a location map issued by the Greater Amman Municipality (GAM)
- Occupancy permit issued by GAM and usually obtained by the landlord immediately upon completion of construction
- Copy of the lease agreement or property deed from the landlord

D. Receive health and safety inspection by GAM:

For certain businesses, a representative from the Ministry of Health may conduct a health inspection of the company premises

E. Licensing Economic Activities:

Establishment and registration of the economic entity:

The licenses and permits required to establish a company depends on the nature and type of the company, anyhow, the most common permits and license are:

■ Register the company at the Chamber of Industry or the Chamber of Commerce:

After the registration of any company before the Controller of Companies at the Ministry of Industry, Trade and Supply other than regional offices, the company must be registered in the Chamber of Industry if the company conducts industrial activities, or with the Chamber of Commerce if the company conducts commercial activities.

- In order to register, the following documents are required for submission:
 - Registration Certificate from the Ministry of Industry, Trade and Supply
 - Memorandum and articles of incorporation
 - Original lease agreement of the workplace premises in addition to a copy of work permit or the organizational chart of the site or any proof of the commercial organization of the site.
 - Copy of the identity cards (ID) of the company's authorized signatories

The registration certificate is given for a one-year period and should be renewed on an annual basis.

Once the GAM officer verifies that the location is situated in the right zoning area and that no property taxes or fees are due, a municipal officer sets a date for inspection of the company premises, if the conducted inspection is deemed satisfactory, the entrepreneur must submit the following documents to the competent vocational licenses division of the municipality:

- The company's certificate of registration
- The certificate of the company's authorized signatories
- Memorandum and articles association
- Registration certificate before the Chamber of Commerce or Industry
- The stamped lease contract by GAM
- The planning location map issued by GAM
- The occupation permit issued by the GAM

If the company's premises are 150 square meters or more (or for certain businesses requiring civil defense measures), the GAM sends a letter to the Civil Defense Directorate, and if the company meets the requirements of the inspection but does not undergo the inspection by the Directorate, the GAM grants the applicant a conditional vocational license which may be revoked in the subsequent year if the Civil Defense Department does not grant its approval.

This license is for a one-year term and should be renewed annually.

■ **Registering the company at income and sales tax department:**

There are two types of registrations that need to be made with the Income & Sales Tax Department.

The first one is an income tax registration that is applicable to all types of companies, even if a particular company is exempted from income tax, such registration is necessary.

The second registration is a sales tax registration which is applicable to all types of companies if:

- The company's sales exceed certain thresholds indicated in the applicable legislation
- The company imports of goods and/or services, which are subject to sales tax irrespective of any thresholds.

So, the entrepreneur must apply for tax registration (including corporate tax, income tax, and VAT) by completing the application form and submitting it to the relevant one-stop-shop counter of the Companies Registry, and the company will obtain a unique tax identification number (TIN).

The documents needed for this step are:

1. Passport for non-Jordanians
2. Registration certificate of the company
3. Copy of trade name registration.
4. Bank authorization
5. Copy of the vocational license
6. The employee's salary slips and the social security records
7. The registration at Amman chamber of industry and trade

■ **Registering the company at social security:**

The inclusion to the Social Security starts if the company used one employee or more, and after the company starts working and paying the salaries of the employees, so an application to social security must be submitted with the following documents:

1. Copy of the company's trading record.
2. Vocational license
3. The names of the company's employees, their salaries, and the joining date for each of them.
4. Copy of the passport for non-Jordanians, or the work permit.
5. Authorization letter for the liaison officer
6. The company's stamp

■ **Registering a trade name:**

After registering the company, the process of registering a trade name begins.

In general, the trade name must be in Arabic but for some exceptional cases and upon a decision from the registrar the trade name can be in English, if it's for a foreign company or person, noting that registering the trade name must be at the Ministry of Industry, Trade and Supply at the Central Commercial and Industrial Registry Directorate.

The documents needed are:

1. Passport for non-Jordanians
2. Registration certificate of the company

The procedures to register the trade name:

1. Fill the application for registering trade names
2. The employee will search and investigate to know if the trade name the applicant want to register is used or registered before, if so he will ask the applicant to change the trade name, then he will investigate again.
3. The department manager of Commercial Registration will check the application so he can give his approval.
4. The applicant must pay the fees
5. Issuing the certificate and signing it by the head of department, then the applicant can have it.

A. Licensing Media of all forms, Printing and Production Activities:

It must be registered at the Companies' Control Department, and to have the approval to licensing it, a pre-approval from media commission must be granted, and the minimum capital of:

- JD50,000 to register the objective of satellite transmission
- JD1,000,000 to register the objective of TV transmission
- JD100,000 to register radio broadcast in the capital of Amman, and JD 50,000 in other governorate.

Licensing it requires having the construction license and occupancy permit from the relevant authority, Engineers' Association and the Civil Defense Directorate, the vocational license from the relevant authorities

The licensing procedures:

1. Licensing of production and services of added costs, movies, cinemas (film production) and circulation of literatures:

At first you must file a licensing application to open a company, store or a cinema. The response received from the Ministry of Industry, Trade & Supply must be "no objection" to register the company in accordance with the objectives stated in the letter, and then you must pay for the license issuance fees, and send a letter to GAM to license the company's site.

The required documents are:

- Identification proof
- Non-conviction certificate for Jordanians
- The company's registration documents
- Preliminary site letters from the Telecommunication Regulatory Commission in case the objective of added cost service only is registered.

2. Licenses of printed matters of all kinds, studies and research, advertising offices, publication and distribution houses, libraries, public polls houses and media institutions:

An application attached with the following documents must be filed to the media commission:

- Identification proof
- Non-conviction certificate for Jordanians
- Qualifications and experiences certificates
- Company's registration documents

After identifying the application and studying the attached documents, they will address the Minister of Information and Communications Technology for the specialized printed matters institutions, address the Council of Ministers for the press and electronic printed matters, and address director of commission for libraries.

3. Direct Broadcasting Vans license:

At first you must address the Telecommunication Regulatory Commission (TRC) to introduce them to the list of the live broadcasting vans and express opinion and license necessary frequencies, after having TRC approval, the fees must be paid to the TRC, after that address the Customs Department (in case the vehicles are imported) or the customs of free zone companies (in case the vehicles are available at the free zone)

The documents required for licensing are:

- Identification proof
- Devices registration documents
- List of devices and a copy of the device carrying vehicle license.

4. Licenses for the satellite transmission and radio broadcasting:

At first fill up the licensing application and pay the application fee, then file the application together with the following documents:

- Petition from the company to the Commission for the license
- Identification proof
- Non-conviction certificate for Jordanians
- CV of the station manager
- The company's registration documents
- Registration deed of the commercial name and the trademark with the Ministry of Industry, Trade and Supply

- A bank's certificate of the required minimum capital
- Certified checks equal to the amount of license granting fee and the first year annual fee
- Performance bond from the bank equal to the annual fee value
- The contracts entered into with service providers
- A study about the project.

After that address the Telecommunication Regulatory Commission (TRC) to obtain the necessary consent, after having TRC approval and after studying the project and having it signed by the Commission, the Minister of Information and Communication Technology is addressed for approval. The Minister writes to the Prime Minister to have the project brought before the Council of Ministers for license approval.

B. Licensing Industrial Sector:

1. Minerals and Jewelry Licensing:

To license this kind of industries you must have pre-approval from the Ministry of Interior and the Central Bank of Jordan, and obtain the construction license and occupancy permit from the relevant authority, Engineers Association and the Civil Defense Directorate, and the vocational license from the relevant authorities.

To license it you must fill up the form and hand it over with the following documents to the authorized officer at the Ministry of interior so he can address the concerned authorities to issue the final approval or rejection decision:

- The Central Bank's approval
- The Companies Control Department's Commercial Registration Certificate
- Passport copy
- The personal particulars statement
- A bank statement showing the financial solvency

2. Licensing Furniture Industry

3. Licensing Electrical Appliances, Equipment & Machinery Industries, Computers, Electronics and Optical Products Industries and Vehicles and Trailers Industries

4. Licensing Leather Products Industry

5. Licensing Transport Equipment Industry

6. Licensing Tobacco Products Industries



7. Licensing Rubber and Plastics Industries

8. Licensing Timber and Cork Product Industries

9. Licensing Non-Metallic Mineral Products Industries (Glass/Ceramic/Cement)

10. Licensing Textile Industries:

To license these kind of industries you must obtain the construction license and occupancy permit from the relevant authority, Engineers Association and the Civil Defense Directorate, and the vocational license from the relevant authorities.

And there is some conditions the applicant must take into consideration when choosing the activity site as follows:

- The activity must be far away from sensitive locations
- In case of spacious areas, wind direction should be observed.

11. Licensing Soft drinks and Beverage Industries (Soft Drinks and Bottled Water):

At first to license this kind of industries you must have the pre-approval of Jordan Food & Drug Administration (JFDA), and obtain the construction license and occupancy permit from the relevant authority, Engineers Association and the Civil Defense Directorate, and the vocational license from the relevant authorities.

The requirements to licensing it are:

- a. Fill and file a health licensing application to a foodstuff factory at the (JFDA) attached with the following documents:
 - Fill up the site inspection form
 - Planning site layout
 - Building drawing
 - Company registration certificate (commercial registration)
 - Approval of the Ministry of Environment / Central Licensing Committee
- b. Fill and file an application to evaluate production lines when it's ready, attached with the following documents:
 - Production line evaluation form, filled up by the investor
 - List of raw materials used
 - Flow chart
 - Name of final product
 - Sterilization and disinfection steps and their materials.

- c. The concerned committee of JFDA inspects the required lines, and based on the inspection report a letter is drafted as the following:
 - Take trial samples after the approval of the trial production
 - Until the shortcoming is gone the trial production is disapproved
- d. Taking samples for testing to prove validity for human consumption.
- e. Issuing a decision to allow the production in case the samples are a success.

12. Licensing Alcoholic Drinks Industries:

At first to license this kind of industries you must have the pre-approval of the Ministry of Interior and the JFDA, and obtain the construction license and occupancy permit from the relevant authority, Engineers Association and the Civil Defense Directorate, and the vocational license from the relevant authorities.

The requirements to licensing it are:

- a. Filling up the alcoholic drink manufacturing application, and submitting it at the Ministry of Interior, attached with the following documents:-
 - Good conduct certificate
 - Commercial registration issued by the Companies Control Department
 - Passport Copy
 - Personal particulars
 - A Solvency statement
- b. Addressing the concerned authorities, then the authorized person at the Ministry shall issue the final approval.

It then comes to licensing procedures at the Ministry of Interior as follows:

1. File a health licensing application of a food factory at the (JFDA), the application should be attached with the following documents:-
 - Fill up the site inspection form
 - Planning site layout
 - Building drawing
 - Company registration certificate (commercial registration)
 - Approval of the Ministry of Environment / Central Licensing Committee

2. To evaluate production lines when ready and application must be submitted, attached with the following documents:
 - Production line evaluation form
 - Raw materials used
 - Flow chart
 - Name of final product (trade mark)
 - Sterilization and disinfection steps and their materials.
3. The concerned committee of JFDA inspects the required lines, and based on the inspection report a letter is drafted as the following:
 - Based on the trial production an approval is granted nonetheless trial samples must be taken
 - Until resolving the shortcomings the trial production is disapproved
4. Taking samples for testing to prove validity for human consumption
5. If the samples are a success, a decision to allow the production is issued.

13. Licensing Pharmaceutical, Drug, and Medicinal Plants Industries:

At first to license this kind of industries it's a must to have the pre-approval of the JFDA and the technical manager should be a pharmacist, and obtain the construction license and occupancy permit from the relevant authority, Engineers Association and the Civil Defense Directorate, and the vocational license from the relevant authorities.

The requirements to licensing it are:

- a. Arrange an appointment to deliver the dossier for the Registration Section, which happens through electronic mail.
- b. Receipt of site registration application to manufacture pharmaceutical, drug, and medicinal plant products and a pharmaceutical registration file representing the production line, attached with the following documents:
 - Copy of the approval of the Minister of Health to license the factory
 - The production lines intended for approval accompanied with a letter by the manager of the local factory.
 - Filled up application for approval of drugs manufacturing site
 - Manufacturing site particulars
 - The company seal on every page of the site master file
- c. Evaluation of the manufacturing site file in order to show it to the manufacturing site accreditation committee.

- d. Inspectors visit the factory to ensure Good Manufacturing Practices are being applied and prepare a report to the accreditation committee, in case no corrective actions are needed and there's no need to make another visit.
- e. Issue a letter to approve the production line based on the decision of the site accreditation committee to approve or disapprove the manufacturing site.
- f. The investor is notified of possible appeal with the registration department within one month of the rejection, and an appeal letter must be submitted.
- g. Having accredited the drug manufacturing site, the pharmaceutical file is studied by the competent committee for decision, this process requires the presentation of the registration file.

14. Licensing Food Products and Children Food Products Industries:

At first to license this kind of industries it's a must to have the pre-approval of the JFDA, and obtain the construction license and occupancy permit from the relevant authority, Engineers Association and the Civil Defense Directorate, and the vocational license from the relevant authorities.

- a. File a health licensing application to a foodstuff factory, attached with the following documents:
 - Site inspection form
 - Planning site layout
 - Building drawing
 - Company's registration certificate
 - Approval of the Ministry of Environment/ central licensing committee
- b. Site inspection by the JFDA
- c. Issuance of a letter to approve or disapprove the site
- d. An application to evaluate production lines when ready must be filed, attached with the following documents:
 - Used raw materials
 - Manufacturing process flow chart
 - Final product's name
 - Materials used for sterilization and disinfection steps.
- e. The concerned committee of JFDA inspects the required lines, and based on the inspection report, a letter is drafted either to:
 - Based on the trial production an approval is granted nonetheless trial samples must be taken
 - Until resolving the shortcomings the trial production is disapproved
- f. Taking samples for testing to prove validity for human consumption.
- g. Issuing a decision to allow the production in case the samples are a success.

15. Licensing Chemical Products and Material Industries:

If the required is licensing a fertilizer factory, this requires the pre-approval from the Ministry of Agriculture, to license this kind of industries you must obtain the construction license and occupancy permit from the relevant authority, Engineers Association and the Civil Defense Directorate, and the vocational license from the relevant authorities.

The procedures to license this kind of industries at the Ministry of Agriculture:

- a. Addressing the concerned authorities, this needs an approval letter from the Ministry of Environment, which will approve or disapprove, and the following documents must be submitted:
 - Fertilizers manufactured certificate of analysis to be issued by the government or accredited laboratories approved on by the ministry
 - Register the fertilizer at the ministry of agriculture
- b. Receipt of a fertilizer factory licensing application attached with the following documents:
 - Company registration or commercial certificate
 - Land registration deed
 - Land layout

C. Licensing Health Sector:

1. Private Hospitals:

To license it, you must have the pre-approval from the Ministry of Health, and you must obtain the construction license and occupancy permit from the relevant authority, Engineers Association and the Civil Defense Directorate, and the vocational license from the relevant authorities.

In terms of the medical capabilities and specialization, the private hospital is divided into two types:

- i. General hospital: which capacity must not be less than 40 beds, these type of hospitals specialize in basic medicine knowledge and all medical capabilities available should be able to treat patients in general fields such as the obstetrics and gynecological surgeries, internal medicine and childhood diseases.
- ii. Specialized hospital: which capacity must not be less than 20 beds as they have the necessary medical capabilities to treat patients in one of the medical specialties or only in dental medicine.

The procedures for licensing private hospitals at the Ministry of Health:

- a. Fill up a private hospital construction application, attached with the following documents:
Planning site layout
 - Construction layout
 - Company registration certificate
 - Lease contract or title deed
- b. Study the private hospital construction application by the Private Hospitals Licensing Committee.
- c. Filing recommendation of the Private Hospitals Licensing Committee to the Secretary General.
- d. The Secretary General of the Ministry of Health issues the recommendation related to the decision to the Minister of Health for preliminary approval or disapproval, after completion of all requirements as per applicable regulation and instructions.
- e. The Minister of Health issues the final decision, following the submission of the Secretary General.

2. A Specialized Medical Center:

To license any specialized medical center, the applicant must be a doctor, and the share of doctors in the specialized centers is no less than 51% of the capital.

The name of the center should be registered in the record designated for the centers in the Jordan Medical Association provided it is an Arabic name and not duplicate, and pre-approval from the Ministry of Health must be given along with a non-objection letter issued by the Jordan Medical Association, and you must obtain the construction license and occupancy permit from the relevant authority, Engineers Association and the Civil Defense Directorate, and the vocational license from the relevant authorities.

The procedures for licensing specialized medical center at the Ministry of Health:

- a. Fill up a specialized medical center construction application, attached with the following documents:
 - Certified copy of the medicine profession practice license issued by the Ministry to the applying doctor
 - A letter of no-objection from the Jordan Medical Association
 - A copy of the partnership contract if any along with the lease contract or title deed in the name of the applicant.
 - Planning site layout
 - Company registration certificate or commercial registration
- b. The Medical Centers and Clinics Licensing Commission shall review the application
- c. The Medical Centers and Clinics Licensing Commission shall inspect the center's site.
- d. For preliminary approvals or disapprovals the Secretary General and after the completion of all requirements must make decision-related recommendations and submissions.
- e. The Minister of Health issues the final decision, after the submission of the Secretary General.

3. How to Trade a Medicine in the Jordanian Markets⁷⁹

- a. Any medicine cannot be traded in markets unless it was approved and registered before Jordan Food and Drug Association JFDA and determining its price in compliance with the law
- b. A medicine cannot be registered until the competent authority confirms its safety, effectiveness and quality.
- c. In order for a medicine to be traded in the market it must obtain the approval of the JFDA's general manager.
- d. Medical plants, natural products, sterile materials, medical supplies and pharmaceuticals which contain vitamins, minerals and cosmetics, in addition to newborns milk formula, or any other substance used to treat human diseases cannot be traded unless approved by the general manager and other relevant official bodies.

The competent authority has the right to approve, amend or disapprove the application of renewal for any medication submitted by the pharmacist or executive manager if the medicine has been registered for 5 years, otherwise and upon the general manager's decision the registration of the medicine will be cancelled⁸⁰

In order for a Jordanian pharmacist to practice the profession he must fulfill the following:⁸¹

- a. Have the Bachelor's degree in Pharmacy or Doctor of Pharmacy from an accredited University.
- b. Not to be sentenced to a felony or misdemeanor that violates public morals or effects one's honor
- c. Have the licensing requirements from the competent authorities as stipulated in the law
 - Any foreign pharmacist can apply for license to work in Jordan in case the conditions mentioned above are available provided reciprocity clause.

Provided that the following documents must be attached with the pharmacist's application to practice the profession:⁸²

- a. Certified copy of the university certificate or any other proof of obtaining a degree in Pharmacy
- b. ID for Jordanians, any document proofing nationality for non-Jordanians
- c. Any other document found necessary by the Minister
- d. In case of approval the applicant must pay the fees⁸³

79 Article 3 of the Jordanian Pharmacy and Pharmaceuticals Law No.12 of 2013

80 Article 17 of the Jordanian Pharmacy and Pharmaceuticals Law No.12 of 2013

81 Article 21 of the Jordanian Pharmacy and Pharmaceuticals Law No.12 of 2013

82 Article 22 of the Jordanian Pharmacy and Pharmaceuticals Law No.12 of 2013

83 Article 23 of the Jordanian Pharmacy and Pharmaceutical Law No.12 of 2013

4. Pharmaceutical Organizations

How to license a pharmaceutical organizations:⁸⁴

Terms and conditions to license the pharmaceutical organization:

- A pharmaceutical organization cannot be founded or owned unless licensed by the Minister
- A pharmacist cannot own or be a partner in a pharmaceutical organization if he is a member of a governmental or official institute unless it is a public shareholding company
- The fees and requirements of founding and owning a pharmaceutical organization are stipulated in a regulation issued for this purpose

Noting that the pharmaceutical organization's license will be cancelled if any of the following occurred:⁸⁵

- a. In case it didn't start working within a year from the date of issuing the license except for factories which are granted 5 renewable years, upon the Minister's decision
- b. If it was closed for a period of 6 months without a convincing reason which the Minister approves
- c. If it was transferred without the Minister's approval
- d. If the owner did not commit to the rules and regulations provided in the legislation
- e. If the owner or pharmacist in charge was convicted for using unsuitable drugs or behaved in a bad manner
- f. If an unlicensed pharmacist was appointed as a partner or the facility was sold to him.
- g. If it was proved that the real owner is not the pharmacist who was granted the license
- h. If the license was obtained using forged documents or fraudulent methods
- i. If it was proved that the facility transferred into another profession

For the purposes of licensing a private pharmacy the following conditions must apply:⁸⁶

- It shall not be directly connected to the main road as it should be located inside the building of the facility that obtained the license
- To meet the qualities and conditions
- The medication must be only given to:
 - Public hospitals residents and patients
 - Private hospitals residents and patients in exchange of the designated fees
 - Patients of charitable clinics which give away medicine for free
 - The employees of the company

Providing that all medication must be stamped with the official stamp of the concerned authority.⁸⁷

84 Article 24 of the Jordanian Pharmacy and Pharmaceuticals Law No.12 of 2013

85 Article 25 of the Jordanian Pharmacy and Pharmaceuticals Law No.12 of 2013

86 Article 60 of the Jordanian Pharmacy and Pharmaceuticals Law No.12 of 2013

87 Article 60 of the Jordanian Pharmacy and Pharmaceuticals Law No.12 of 2013

5. Licensing Pharmaceutical Factories

Medicine factories are not allowed to operate unless the Minister of Health licensed it, taking into consideration that cannot be owned by a legal person or a natural person alone.⁸⁸

In order to license a pharmaceutical factory the following documents⁸⁹ must be submitted in order to obtain a license for a pharmaceutical factory:

- Lease contract of the property certified by the competent authority
- Company's registration certificate
- The preliminary approval of the competent authority for using the property for industrial purposes
- Valid site plan and layout

The committee must visit the site in order to submit its recommendations for the Jordan Food and Drug Administration, General Manager within 14 days from the date of the visit.⁹⁰

The Minister of Health and within 30 days from the date of the visit must issue a decision whether of approval or disapproval upon the decision of the General Manager.⁹¹

In case the factory was not established within 3 years from the date of the approval it shall be cancelled unless the General Manager found a need to extend the period for another 3 years.⁹²

The property must be at least 1 km away from the closest residential area and at least 500 meters from any water source in addition to guaranteeing to keep water sources unpolluted.⁹³

Noting that the property must be suitable for the production of medical products.⁹⁴

The applicant has the right to submit an objection to any decision taken in accordance with the provisions of the Jordanian Licensing pharmaceutical factories and the fees charged from them Regulation No.11 of 2016 within 30 days to the competent committee upon submitting it to the General Manager.⁹⁵

88 Article 41 of the Jordanian Pharmacy and Pharmaceuticals Law No.12 of 2013

89 Article 5/A of the Jordanian Licensing pharmaceutical factories and the fees charged from them Regulation No.11 of 2016

90 Article 5/D of the Jordanian Licensing pharmaceutical factories and the fees charged from them Regulation No.11 of 2016

91 Article 5/E of the Jordanian Licensing pharmaceutical factories and the fees charged from them Regulation No.11 of 2016

92 Article 5/F of the Jordanian Licensing pharmaceutical factories and the fees charged from them Regulation No.11 of 2016

93 Article 6 of the Jordanian Licensing pharmaceutical factories and the fees charged from them Regulation No.11 of 2016

94 Article 6/D of the Jordanian Licensing pharmaceutical factories and the fees charged from the Regulation No.11 of 2016

95 Article 9 of the Jordanian Licensing pharmaceutical factories and the fees charged from the Regulation No.11 of 2016

D. Licensing Tourism Sector:

1. Hotels, Hotel Apartments or Hotel Suites:

This kind of licensing requires pre-approval from the Ministry of Tourism & Antiquities, and it must be at least 500 m away from the sensitive residential places, worship houses and schools.

The construction license and occupancy permit must be obtained from the relevant authority, Engineers Association and the Civil Defense Directorate, and the vocational license from the relevant authorities.

The procedures for licensing it at the Ministry of Tourism & Antiquities:

- a. Fill up the approval application of a tourist entity establishment, the preliminary approval is valid for 2 years, attached with the following documents:-
 - Lease agreement or a duly certified title deed
 - Self-assessment form
 - Updated planning site layout
 - Land layout issued by the Department of Lands & Survey-updated
 - Planning approval in accordance with the license status issued by the relevant authorities
 - Presentation of preliminary architectural layouts of the project
 - Approval of Civil Defense Directorate to operate the entity and receive occupants
 - Company registration certificate or updated commercial registration among its objectives establishment of a hotel entity (as the case may be)
 - New commercial name or trademark identical to the license class granted to the entity.
- b. The Tourism Committee grants the conditional preliminary approval after reviewing the file.
- c. The committee inspects the site and provides the investor with the final classification decision after completing the new entity's outfit and furnishing, and officially notifying the Ministry in writing, in accordance with the decision the final approval to practice the profession is issued.
- d. The investor may file an appeal application within the legal period in case he wishes to challenge the issued decision.
- e. Issuance of the final classification after the following:⁹⁶
 - Subscribing to the Jordan Hotels Association
 - Subscribing to the Jordan Tourism Board for the hotel entities from 3 star class and above or equivalent
 - Payment of due fees by class against payment voucher
 - Obtain the statistical form from the Directorate of Information & Tourist Statistics.

96 <http://jic.gov.jo/esfwebadmin/upload/دليل%20الخدمات%20و%20النماذج/INVEstment%20window.pdf>

- For the 4-5 star classes a copy of the invoice of (X-Ray) device and (Walk Through) as for 3 star classes a copy of the invoice of the (Walk Through) device.
- Use the relevant designated software to electronically link the 3 star hotels and above or equivalent with the Ministry.
- Insurance policy in order to cover the entity visitors.

2. Tourist Recreational and Entertainment Cities:

For Jordanian investor the capital must be no less than JD 30,000, and for foreign investor it must not be less than JD 50,000.

According to that licensing tourist recreational and entertainment cities must have the pre-approval from Ministry of Tourism and Antiquities, and it's a must to obtain the construction license and occupancy permit from the relevant authorities, and the vocational license.

Licensing processors:

- a. Fill up the approval application of a recreational/ tourist cities establishment application, the preliminary approval is valid for 2 years, attached with the following documents:
 - Occupancy permit
 - The Directorate of Civil Defense final approval to operate the project
 - Commercial registration
 - Project's commercial name or trademark
 - Architectural drawings
- b. Grant the conditional preliminary approval after studying the file for the establishment of the recreational city and tourist promotion.
- c. The committee inspects the site and provides the investor with the final classification decision after completing the new entity's outfit and furnishing, and officially notifying the Ministry in writing, in accordance with the decision the final approval to practice the profession is issued.
- d. The committee must re-inspect the site in case of remarks on the licensing of the recreational city, to make sure the investor has handled the remarks.
- e. The Issuance of the final approval and tourist license.

Since tourism sector plays an important role in increasing and improving the economic situation in Jordan through direct revenue obtained by the State from the entry fees which tourists pay visas fees, departure tax fees, income and sales tax on hotels, VAT collected from hotels, and income tax and sales of tourist facilities including the transport sector, also this sector attracts many investments to meet the growing numbers of tourists and their needs and requirements, such as aviation, transportation, hotels, restaurants, recreational activities and more.

So the Jordan Investment Commission granted the tourism sector many incentives, privileges and exemptions, such as:⁹⁷

- a. It gave foreign investors the right to completely own resorts or participating or contributing in it.
- b. Foreign investors have the right to take out his capital with the earnings, or even selling his resort without delay, and by a convertible currency.
- c. The expropriation or the nationalization of foreign investor's investment is not possible unless it was for public interest, in this case it's a must to pay him fair compensation by a convertible currency, and he has the right to resort to local judiciary or the International Centre for Settlements to settle any investment disputes.
- d. Fixed assets of the investment which is the machinery, equipment, vehicles and supplies, and hotels furniture and supplies are exempted from fees and taxes.
- e. Decrease the general tax stipulated in the General Tax Law on the machinery, supplies, furniture, vehicles, construction material and production material whether from the local market or imported to 0%.
- f. The sales tax on the mentioned above services to be 7%
- g. The income tax and for the period of 10 years to be 5% from the income subject to tax.
- h. Hotels investments have extra tax and fees exemptions, when buying supplies and furniture to renew the hotel once at least every seven years, but it must enter the Kingdom or be used at the investment within four years from the date of the committee decision approving on purchases list and the amount of it, in case of selling, the investor must inform customs duty earlier about the assets which is going to be sold, so it can take the necessary procedures according to the law.

There is many investments and activities done by the Ministry of Tourism and Antiquities in collaboration with Jordan tourism board, which led to promote tourism in Jordan, such as:

- a. The collaboration between the ministry and the board to provide the best prices and offers at hotels and resorts to the tourists.
- b. Establish tourism development companies, and coordinate with financial institutions to finance tourism projects, and set up a database for locations which is compatible with tourism growth, and for tourism companies.
- c. Partnerships with different airlines such as Jordanian airlines.
- d. Contracting with road transport companies, to provide safe and comfortable transportation with good prices such as JETT Company.
- e. Diversifying cultural and tourism attraction elements, by promoting festivals and celebrations and other authentic experiences, such as Jerash Cultural Festival
- f. Work is in progress on creating an electronic booking platform to enable tour operators to complete booking process for tourists and travelers online easily, this platform was launched in the beginning of 2017.

97 With Relation to decisions issued based on article 8/A of the Jordanian Investment Law No.30 of 2014

All tourism investments and projects wherever it is included with the privileges and exemptions relating to the development of the tourism sector which was mentioned in the Development Zones and Free Zones Law No. (2) Of 2008 amended by Law No. 38 of 2010, and this led to making it easier to register and license economic investments and projects, and enabling it to obtain all exemptions granted by the law.

E. Licensing Agricultural Sector:

1. Licensing Poultry Farms:

To license this kind of activities you must have the pre-approval from the Ministry of Agriculture, and you must obtain the construction license and occupancy permit from the relevant authority, Engineers Association and the Civil Defense Directorate, and the vocational license from the relevant authorities.

Licensing processors:

- a. Fill up the approval application of a poultry farm through the Directorate of Agriculture in the geographic region where the farm site belongs, attached with the following documents:
 1. Land registration deed (in case of title) or lease agreement authenticated by the notary public (in case of lease)
 2. Updated planning site layout
 3. Approval of the Ministry of Interior if one of the investors is a foreigner
 4. Approval of the Ministry of Environment
 5. Approval of the municipalities or GAM
- b. An inspection is made by a specialized technical committee for the site and to provide the investor with the remarks if present
- c. Issuance the approval of the poultry farm license.

2. Licensing Cow Farms:

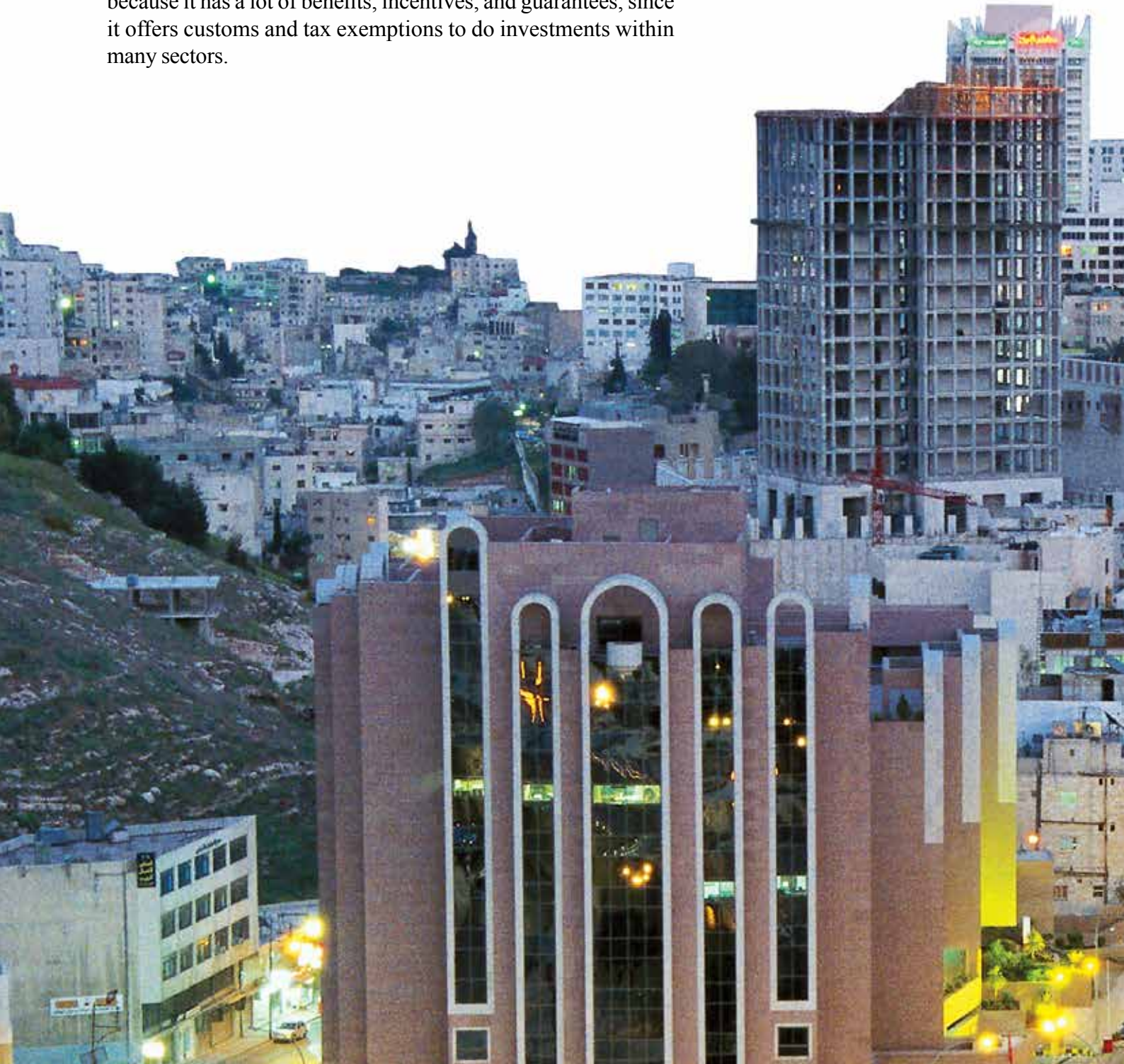
To license this kind of activities you must have the pre-approval from the Ministry of Agriculture, and you must obtain the construction license and occupancy permit from the relevant authority, Engineers Association and the Civil Defense Directorate. This kind of activities doesn't require a vocational license.

Licensing processors:

- a. Fill up the approval application of a cow farm through the Directorate of Agriculture in the geographic region where the farm site belongs, attached with the following documents:
 1. Land registration deed (in case of title) or lease agreement authenticated by the notary public (in case of lease)
 2. Updated planning site layout
 3. Approval of the Ministry of Interior if one of the investors is a foreigner
 4. Approval of the Ministry of Environment
 5. Approval of the municipalities or GAM.
- b. An inspection is made by a specialized technical committee for the site in order to provide the investor with any remarks
- c. Issuance the approval of the cow farm license.

Foreign Investment

Jordanian investment law is considered the legislative framework to attract foreign investments and stimulate domestic investment, because it has a lot of benefits, incentives, and guarantees, since it offers customs and tax exemptions to do investments within many sectors.





Benefits and incentives of investment law to encourage investment projects:

I. Customs exemptions:

1. Production inputs necessary to prepare the economic, industrial or vocational activities which are exempted from customs duties, and are subject to the applicable General Sales Tax Law in case they were imported or purchased locally, provided that the Income and Sales Tax Department shall refund this paid tax within thirty (30) days from the date of submission of a written refund request thereof. If the Income and Sales Tax Department fails refund such tax within this period, then the department pays a (9%) interest on any annual basis.⁹⁸
2. Production inputs, production requirements and fixed assets relating to dual use production requirements, and fixed assets necessary for practicing the industrial or vocational economic activities which are exempted from custom duties, and reduce the general percentage provided in the general sales tax to (zero percent) when imported or purchased locally, provided that the beneficiary party is registered with the Income and Sales Tax Department.⁹⁹
3. Services which are subject to general sales tax in accordance with the provisions of the applicable General Sales Tax Law in case they were imported or purchased locally, provided that the Income and Sales Tax Department shall refund this paid tax within thirty (30) days from the date of submission of a written refund request thereof. If the Income and Sales Tax Department fails to refund such tax within the said period, then it shall pay a (9%) interest on an annual basis.¹⁰⁰
4. The commodities necessary for the below mentioned economic activities which are exempted from custom duties and are subject to (zero percent) general sales tax when imported or purchased locally, namely:¹⁰¹
 - a. Agriculture and livestock
 - b. Hospitals and specialized medical centers.
 - c. Hotels and tourist facilities
 - d. Entertainment and tourist recreation facilities.
 - e. Call centers.
 - f. Scientific research centers and scientific laboratories.
 - g. Artistic and media production.
 - h. Conference and exhibition centers.
 - i. Transport and/or distribution and/or extraction of water, gas and oil derivatives by using pipelines.
 - j. Air transport, sea transport and railways.

98 Table (1/A) of Investment Incentives Regulation No. 33 of 2015

99 Table (1/B), (1/C) and (1/D) of Investment Incentives Regulation No. 33 of 2015.

100 Table 2 of Investment Incentives Regulation No. 33 of 2015.

101 Table 3 of Investment Incentives Regulation No. 33 of 2015.

II. Tax facilitations:

Jordan has a variety of facilitations for investment when it comes to taxes.

These facilitations differ from one area to the other, for further information please refer to the following:

1. Development Zones: P. 55
2. Free Zones: P. 58
3. Less Developed Regions: P. 121

III. Investment guarantees:

1. Investment law treat non-Jordanian investors just like Jordanian investors, where it gave them freedom to invest in the Kingdom by owning, participating, or contributing in any economic investment, but it's not allowed for the foreign investor to wholly own some of the projects in relation to certain sectors according to Non-Jordanian Investment Organization Regulation No. 77 of 2017.¹⁰²
2. There is no minimum amount for non-Jordanian investors.
3. The investor has the complete right to manage his investment in the manner he prefers.
4. The investor has the right to take the foreign capital which he brought to the Kingdom to invest in Jordan.
5. Foreign employees who work in any investment have the right to transfer their salaries and compensations outside the Kingdom.
6. The investor can sell exempted fixed assets or assign them to another investor not benefiting from the provisions of law after paying all taxes and fees accrued thereon it, after having the approval of the committee.
7. The foreign investor has the right to transfer his generated revenues and profits of his investment to outside the Kingdom.
8. The expropriation of any investment or subjection it to any actions that leads to the acquisition of it for public interest is not allowed, unless they paid the investor a fair compensation, and it should be paid in convertible currency.

The investment disputes between the government entities and the investor will be settled amicably within six months, otherwise both parties can refer the dispute to the Jordanian courts, or settle it through Arbitration or alternative dispute resolution according to the Jordanian Arbitration Law, or any other dispute resolution way.¹⁰³

102 Article 10 of the Investment Law No.34 of 2014

103 article 43 of the Investment Law No. 34 of 2014

Intellectual Property Rights in Jordan

According to World Intellectual Property Organization (WIPO), Intellectual property refers to creations of the mind: inventions; literary and artistic works; and symbols, names and images used in commerce. Intellectual property is divided into two categories: Industrial Property includes patents for inventions, trademarks, industrial designs and geographical indications. Copyright covers literary works (such as novels, poems and plays), films, music, artistic works (e.g., drawings, paintings, photographs and sculptures) and architectural design. Rights related to copyright include those of performing artists in their performances, producers of phonograms in their recordings, and broadcasters in their radio and television programs.





The aim of the IP system, is to provide a conducive environment to increase creativity and innovation.

1. Trademarks:

Any visually perceptible sign used or to be used by any person for distinguishing his goods or services from those of others.

■ Required documents to register a trademark:¹⁰⁴

- a. Four copies of publishing a trademark application in Arabic and English.
- b. Two copies of the trademark photo.
- c. Commercial record of the company and the authorized to sign.
- d. A certified priority document, if priority is to be claimed.

■ The procedures to register a trademark:¹⁰⁵

- a. File the application attached alongside the required documents.
- b. Submit the application in front of the authorized employee, to revise, and sign it.
- c. Pay the fees and attach the invoice with the application.
- d. Trademark section will re-check the application to make sure there are no similar trademark as this one.
- e. The Trademarks Registrar will approve or reject the registration application based on his authority, in case of approval the applicant must pay publication fees in order to obtain the initial registration certificate signed by the registrar, then publish it in the Official Gazette, in case of disapproval the applicant must be notified to adjust the trademark.
- f. Any person can object the registration of any trademark to the registrar within three months from the date of publishing the announcement of the registration, or within any other period appointed for this purpose, and the objection must be written, in case no one objected then the final registration of the trademark is carried out and the final payment of the registration fees should be paid to receive the final registration certificate signed by the registrar.

The ownership right of a trademark shall be for 10 years as of its registration date and may be renewed every 10 years under the provisions of the Jordanian Trademark Law, noticing that the trademark office at the Ministry of Trade and Commerce is the official authority for trademark registration.

104 Ministry of Industry, Trade and Supply official website: <https://jordan.gov.jo>

105 Ministry of Industry, Trade and Supply official website: <https://jordan.gov.jo/wps/portal>

■ **Conditions to register a trademark:**

- a. The applicant must register the trademark in person, or by the authorized person, or by a lawyer
- b. The trademark must be earmark and perceptible
- c. The trademark must be legal

■ **How to protect a trademark:**

To seek protection over the trademark, the owner should go to criminal and civil courts, so the legal action against any infringement act shall be the civil and/ or criminal lawsuit at the competent court. It is also advisable to record the trademark before the Customs Department after obtaining a final and valid registration of it before the Trademark Office.

2. Copyrights:¹⁰⁶

Copyright is the term which covers the following works:¹⁰⁷

- a. Artistic, scientific works, innovative and literary, regardless of their kind, importance or the purpose of their production.
- b. Works expressed in sound, drawing, writing, movement or photography including but not limited to:
 1. Books, booklets or other written material.
 2. Orally recited works such as sermons, lectures and speeches.
 3. The lyrical and/or musical plays, theatrical work and mime.
 4. Musical work whether it's accompanied with words or not, digitized or not.
 5. Motion picture work in addition to audio and visual broadcast works.
 6. Works of painting, sculpture, engraving, photography, architecture and applied and ornamentation arts.
 7. Illustrative figures, charts, layouts, maps, and three-dimensional works related to geography and earth's level maps.
 8. Computer programs whether in source language or in machine language
- c. The work's title unless it is a common term used to indicate the subject matter of the work.
- d. The collections of literal or artistic work such as encyclopedias, selections and collected data; whether in a readable form or not, on condition that such works must represent as to their selection or arrangement of their contents innovated intellectual works. The term shall also include collections containing selective extracts of poetry, prose, music or other material, provided that the sources and authors of the extracts are specified in the said collections.

¹⁰⁶ The Jordanian Copyright Law and its Amendment No. (23) for the year 2014

¹⁰⁷ Article 3 of the Jordanian Copyright Law and its Amendment No. (23) for the year 2014

■ Registering copyrights:

The National Library is the competent authority for registering copyrights, noting that it is not necessary to register a copyright in order to protect it, as it's protected regardless of registration.

■ Filing requirements:

- a. For written material:
 1. A legalized and notarized Power of Attorney up to the Jordanian Consulate.
 2. Four copies of the work.
- b. For other copyrightable works:
 1. A legalized and notarized Power of Attorney in accordance with the Jordanian Consulate.
 2. Two copies of the work.

A copyright application can only be filed, if one of the following conditions is fulfilled:¹⁰⁸

1. The applicant is Jordanian.
2. The work is created by a person residing in Jordan and is going to be published and distributed in the Kingdom.
3. The subject of the work is somehow related to Jordan.

■ How to protect a copyright:

- a. The court may ensue any of the following procedures regarding a work which its copyrights or any other right have been infringed, based on the request of the right holder, any of his heirs, or his successors; provided that the request must contain a detailed and comprehensive description of the work:¹⁰⁹
 1. Issue an order for the cessation of the infringement of the work or any part thereof.
 2. Confiscation of the work, its reproductions, its copies and any material used in the reproduction in condition that these materials are not useful for anything else.
 3. Confiscation of the revenues of exploiting the published work through public performance.
- b. The request may be filed before, during or after filing the lawsuit.
- c. Upon verification if the rights have been violated or the violation is eminent, after confirming that the request was filed by a right holder, the court may take any of the procedures above in precautionary context to prevent the occurrence or preserve evidence of the infringement.

108 Article 56 of the Jordanian Copyright Law and its Amendment No. (23) for the year 2014

109 Article 46 of the Jordanian Copyright Law and its Amendment No. (23) for the year 2014

- d. To avoid abuse and guarantee any damages that the defendant might face if the claimant is proved to be wrong in his case, the request for a precautionary measure must be accompanied by an adequate collateral.
- e. The lawsuit must be filed within eight days from the court's order or else and based upon the request of the defendant, the effected precautionary measures taken before filing the lawsuit shall be.
- f. The claimant if acted abusively while requesting the procedures and upon the court's request to adequately compensate the party for damages incurred due to this abuse.

Civil courts are the competent authority when it relates to the protection of copyrights.

The protection of the financial copyrights shall remain effective during the lifetime of the author in addition to fifty years after his death, or the death of the last survivor of those participating in the work if there were more than an author, and for purposes of calculating the protection period, the date of death shall be considered to occur on the first of January of the year following the actual date of death of the author.¹¹⁰

3. Patents:¹¹¹

A patent is the granted certificate for imposing protection for an invention.

Registration is required before the Patent Registry at the Ministry of Industry, Trade and Supply to be able to protect the invention as a patent.

■ An invention may be granted a patent protection, if the following conditions are met:¹¹²

a. Novelty:

- i. The invention should be new in terms of industrial technology as well as not being previously disclosed to the public anywhere in the world, through use or any other method such as written or verbal description, which might affect the knowledge of the invention, prior to the date of filing a patent application, or the priority date claimed in the application.
- ii. If the disclosure of an invention to the public occurs within twelve months before filing the application or claiming priority, whether the disclosure was a result of an act committed by the applicant, or an unlawful act committed by a third party against the applicant it shall not be taken into consideration and will not affect the application submitted.

110 Article 30 Of the Jordanian Copyright Law and its Amendment No. (23) for the year 2014

111 Law No. 32 of 1999 on Patents

112 Article 3 of the Jordanian Patents Law No.32 of 1999 and its amendments

b. Inventive Step:

If the invention includes an inventive step, which reaching is not obvious to a skilled person in the art familiar with the prior state of the technology in the field of the invention.

c. Industrial Application:

If the invention is capable for industrial application, as it is capable of being manufactured or used in any field of agriculture, fishing, services, or industry broadly defined, including handicrafts.

■ **Required documents to register a patent:**

1. Word version of the Specification text & Filing particulars.
2. Original Power of Attorney duly notarized and legalized up to the Jordanian Consulate.
3. Original Affidavit document duly notarized and legalized up to the Jordanian Consulate. It is acceptable to submit multiple Affidavits to collect all the signatures.
4. Scanned certified copy of the Company Commercial Register.
5. Certified Priority document, , if priority is to be claimed.
6. English/Arabic translation of the above documents.
7. Word copy of the Priority text to translate the differences between the Specification text & the Certified Priority.

■ **The procedures to register a patent:**¹¹³

1. Attach the required documents and stamps along with the Patent Registration Application Form.
2. Register the application with the Patent Office.
3. The applicant receives an application-received notice after it is issued.

- The duration of the patent of invention shall be 20 years as of the date of the registration application, afterwards it becomes a public domain where anyone is allowed to use it without obtaining authorization from the patentee.¹¹⁴

■ **How to protect a patent:**

In case of infringement it is necessary to register a patent in order to protect it, whenever the patentee needs to protect his patent, he shall refer to both criminal and civil courts at his country.¹¹⁵

113 Article 8 of the Jordanian Patents Law No.32 of 1999 and its amendments

114 Article 17 of the Jordanian Patents Law No.32 of 1999 and its amendments

115 Article 33 of the Jordanian Patents Law No.32 of 1999 and its amendments



4. Domain names:¹¹⁶

It defines a realm of administrative autonomy, authority or control within the Internet as an identification string, which formed in accordance with the rules and procedures of the Domain Name System (DNS).

Domain names that end with a Jordanian upper band (.jo), on the first and the second level are registered by the National Information Technology Center which is the administrative officer as well as the exclusive registrar.

■ Prohibited names to be used as Domain Name:

1. Any domain name that violates the stability of the Hashemite Kingdom of Jordan.
2. Any domain name that violates the Jordanian laws.
3. Domain Names which infringe the social norms in Jordan.
4. Domain names maintained by entities operating in the pornographic industry.
5. False language, bad and inappropriate terms.
6. Jordanian family names (unless an authorization is issued by the head of the family or tribe for registering the family's name providing that it's used in good).
7. Public names unless its owner has a registered trademark.

■ Required documents to register a domain name:

a. Commercial Entities and Commercial Networks:

Commercial entities and commercial networks must submit the following documents to obtain an initial approval for their requested domain name:

1. The entity's registration license issued by the Ministry of Industry, Trade and Supply or by Great Amman Municipality.
2. A copy of the trademark license issued by the Ministry or an initial TM approval if the required domain name is a trademark (TM).
3. An authorization letter signed and stamped by an authorized personnel if a domain name is registered via a third party on behalf of a registrant (reseller, hosting company).
4. Based on the nature of the business, commercial entities and commercial networks can register a domain name under the Top Level Domains (TLDs): .jo/.com.jo/ .net.jo/ .edu.jo/ and .sch.jo, based on the nature of the business

¹¹⁶ Ministry of Industry, Trade and Supply official website: <https://jordan.gov.jo/wps/portal/Home/GovernmentEntities/Ministries/Ministry/Ministry>

b. Foreigners residing in Jordan:

1. Foreigners and in addition to the passport must show a copy of proof of residency in Jordan.
2. The legal guardian must also submit the same documents of the registrant in case he is registering a domain name on behalf of a minor.
3. It is only accepted for Jordanian citizens or foreign aliens residing in Jordan to register a domain name under the TLD .per.jo only.

c. Registrations via Jordanian Intellectual Property (IP) firms:

International firms with no presence in Jordan willing to register their brand names under .jo are requested to register their interested domain names via a Jordanian IP firm. In such cases, the following measures must be applied:

1. A Jordanian IP firm must register the domain name.
2. The Jordanian IP firm must itself and not by a third party submit the required documents, these documents are:
 - A Power of Attorney (POA) approved and stamped by a Jordanian diplomatic mission or Jordan's Ministry of Foreign Affairs, between the domain name owner and the Jordanian IP firm
 - A trademark of the name in question.
3. The IP firm must be reflected using the Administrative Contact and the Billing Contact, while the Owner of Data must reflect the domain name owner and any entity technically responsible for the domain name can be included in the domain name.
4. Based on the nature of their business, domain names registered via Jordanian IP firms can be registered under the TLDs .jo, .com.jo, and .net.jo

■ **Special cases can be treated as they arise.**

Domain name registration:-

1. Fill an online application.
2. Submit documents required either via e-mail or by uploading them on the online system.
3. An initial approval is given alongside a financial invoice being e-mailed, once all required documents are submitted.
4. The domain name gets delegated or activated after the payment has been fulfilled.



■ Offered .jo Extensions:

TLD	Who is entitled?
.com.jo	Commercial entities (companies, franchises, restaurants, ISPs, hospitals)
.net.jo	Networks (ISPs, medical networks)
.org.jo	Not-for-Profit Organizations and NGOs
.gov.jo	Jordanian government entities (ministries, government offices)
.mil.jo	Jordanian military entities (armed forces, public security directorate, air force, civil defense bureau, intelligence services)
.edu.jo	Jordanian educational institutes - both public and private – such as universities, colleagues, schools, training centers.
.sch.jo	Jordanian schools, both public and private
.per.jo	Jordanian citizens and alien residents residing in Jordan
.phd.jo	Jordanian Ph.D. holders and visiting professors
.jo	All of the above mentioned entities except Jordanian citizens, alien residents residing in Jordan, Jordanian Ph.D. holders, and visiting professors
الأردن.	All of the above mentioned except Jordanian and non-Jordanian Persons

■ Registration fees:¹¹⁷

The following table summarizes the registration fees and the renewal fees for .jo domain names at all levels in both Jordanian Dinars (JDs) and in United States Dollars (USD), noticing that rates in (USD) are subject to changes based on (JD/USD) exchange rate.

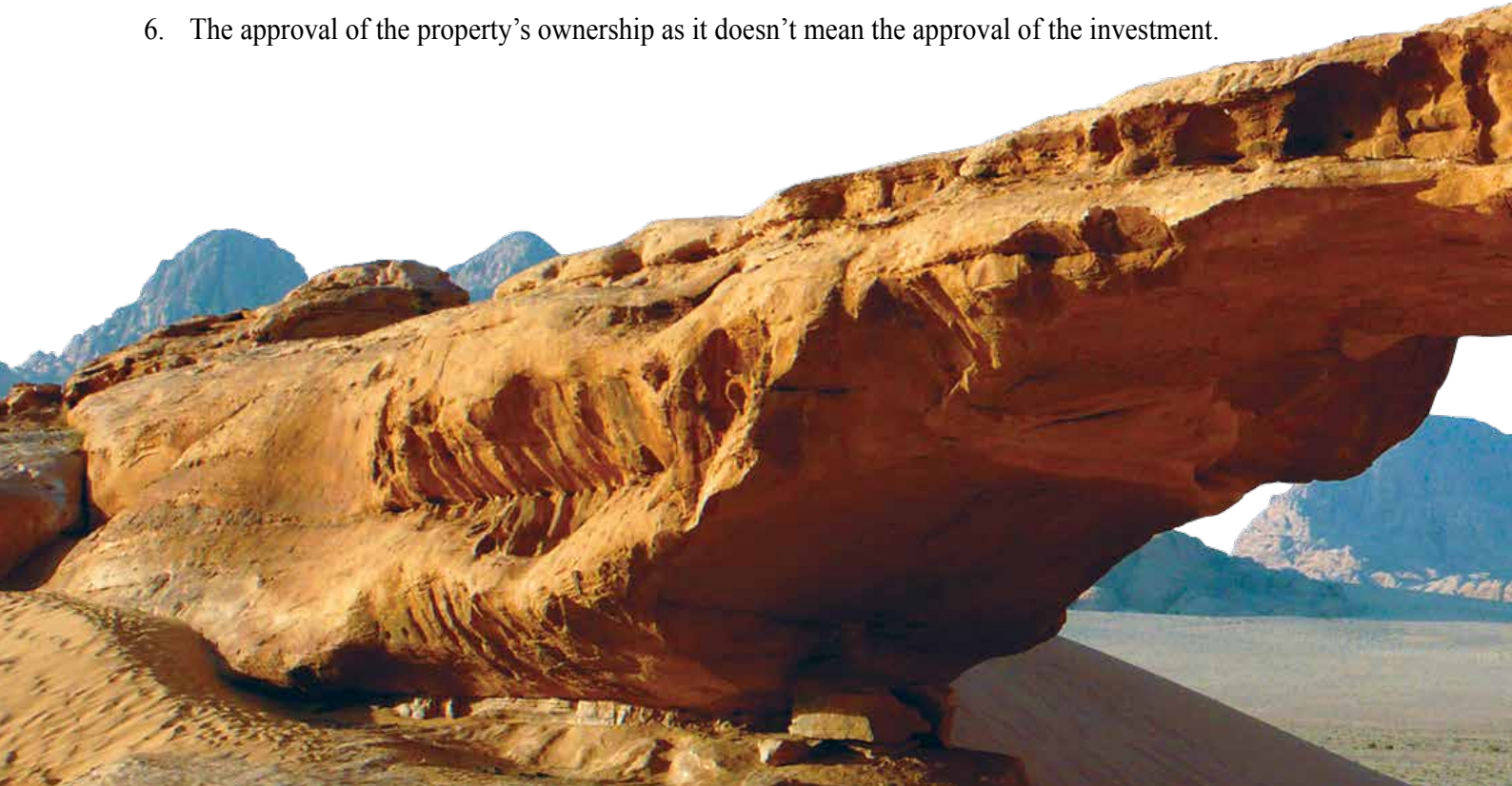
Registration fees		
TLD	JD	USD
.jo	50	71
الأردن.	25	35
.com.jo	25	35
.edu.jo	25	35
.org.jo	25	35
.net.jo	25	35
.gov.jo	25	35
.mil.jo	25	35
.sch.jo	15	22
.per.jo	5	7
.phd.jo	5	7

117 https://jordan.gov.jo/wps/portal/Home/GovernmentEntities/Ministries/MinistryServiceDetails_en/Ministry

Movable and Immovable Properties

To guarantee the project which the investor wants to own property for, and to make sure that the investment is serious, this will be required:

1. The investor who acquire any immovable proprieties according to the law must finish his investment during five years.
2. If the above period ended before finishing the investment, it can be renewed for a similar period, once, by a decision of the Minister of Finance upon the recommendation of the director of the department of land and survey.
3. If the above period ended before finishing the investment, the department of land and survey shall take 5% of the market value of the property annually from the owner, according to what the director estimate's for the maximum period of ten years, after that the land must be sold at the auction according to the Minister's decision and upon the recommendation of the Director and the money must be given to the owner in case he did not sell it himself.
4. Non-Jordanians who own immovable properties according to the law, do not have the right for any reason to dispense the properties before five years under the penalty of nullity, unless they got the Minster's approval upon the recommendation of the Director.
5. In case of death, the inheritors can register the immovable properties from the devisee to them, without any approvals and regardless their nationality, in addition to giving them the power needed to undertake any legal action they desire.
6. The approval of the property's ownership as it doesn't mean the approval of the investment.



The instructions to ownership the properties:

■ The attachments:

1. The purchaser or his legal representative or a licensed real estate office must submit the application, and the kind of the investment must be clear.
2. Submit a filled form with all the details about the wife, the husband, and the kids
3. Copy of the passport
4. New planning site layout

■ The procedures:

1. Have the opinion of the competent authorities
2. Send a letter to the Minister of Finance, Council of Ministers, according to the space, investment type, and regulation features.



Free Trade Agreements

Jordan has resorted to the openness policy and markets liberalization following its economic strategy, which aims at achieving openness to international and regional economies in an attempt to boost economy and activate economic development, reduce controls that hinder competitiveness and development, and to enable the private sector to participate actively in the process of economic development.

For that purpose, Jordan has signed several economic, trade and free agreements with many countries worldwide, especially with major economic and trade blocs. The beginning of the economic liberalization phase was with the accession of Jordan into the World Trade Organization (WTO) in 2000, followed by tightening the economic and trade relation with the United States of America, then with EFTA countries, in addition to the Greater Arab Free Trade Agreement and a number of bilateral free trade agreements with some Arab and foreign countries.





Later, the cooperation agreement with the European Union and then an attempt to open up to the Asian markets through the FTA with Singapore, and the latest agreements signed with Canada respectively. Despite the different criticisms on these agreements reasoned that they are with no benefit for the Jordanian market and that some are difficult to enforce, however, these agreements have contributed indeed to increase the country's ability to access some of these markets by distinguishing Jordan with preferential treatment in comparison to other countries.

Taking a swift review over the trade shares (imports and exports), it is noticed that the biggest share of Jordan's foreign trade is between the Greater Arabic Free Trade region, the NAFTA countries, and non-Arab Asian countries for export, as for imports, the largest part is distributed to non-Arab Asian countries, and the EU countries, respectively.

To illustrate the free trade agreements, we start with the most recently signed ones:

A. The Free Trade Agreement with Canada:

Jordan has signed an FTA agreement with Canada on June 28th2009 in Amman, which came into force in October 1st2012. It is considered the first FTA agreement that Canada has signed with an Arab country, in addition to the Agreement for the Promotion and Protection of Investments, the cooperation in the labor field, and offers to cooperate in the field of environment. The agreement aims at reinforcing the economic relations between Jordan and Canada and developing cooperation between the two countries. The agreement also contributes to raising the level of trade exchange between the two countries, as well as creating new export opportunities for the Jordanian products in the foreign markets through the possibility of market access and possible integration of origin with countries that have free trade agreements with Jordan and Canada.

The signing of this agreement has resulted in the following:

1. Upon its signature, industrial products of Jordanian origin that are exported to the Canadian market shall be exempted from all customs duties, taxes, and other fees.
2. Exports to Canada increased significantly.

B. The European Cooperation Agreement

Jordan has signed with the EU Member States on a partnership agreement in 1997 to establish a free trade area between the signing parties, which entered into force in 2002 to replace the economic cooperation agreement that was signed in 1977. Under the agreement, the Jordanian industrial exports are permitted to enter the European countries, with exemption from customs duties and other fees of similar effect, from the date of entry into force of this agreement. In return, Jordan shall allow the European industrial exports to enter the country and to exempt them from customs duties and other fees of similar effect. The agreement shall be in effect over a transformational period of 12 years starting from the date of entry into force of this agreement, with exception to a number of listed items.

C. The Free Trade Agreement with the U.S.

Jordan and the US signed the agreement on October 24th2000 to establish a free trade area which came into force in December 17th2001. The agreement aimed at enforcing the bonds of friendship and developing the economic, trade, and investment cooperation between the two parties. It is the most successful agreements and the most exploited by the Jordanian exporters for the ease of applying the principle of rule of origin in comparison to other agreements. In light of this, the Jordanian exports achieved a steady growth over the years, even if the growth rate has declined over time, which may indicate that the Jordanian origin has reached its maximum production capacity with the country's limited production sources, whether from technology or raw materials.

It shows that the balance of trade tended to favor Jordan until 2008, after which the United States moved to increase exports in response to the global financial crisis, which affected the western countries first and since late 2007. Although Jordan's exports have been growing steadily over the years, the increasing volume of imports over the past years has deprived Jordan of the advantage it has enjoyed since the signing of the agreement in 2001.

Parallel Import

The phenomenon of parallel import is wide spreading in our country, where products holding well-known trademarks are being imported by traders other than the official importers. Parallel import is originally rooted in the exceptions included in the international conventions.

As per the effective Jordanian laws, as long as the product is original and not fake; parallel import is legally permissible in the view that it encourages competitiveness and thus lower prices.

It is worth mentioning that in case of parallel importation of a genuine product, the parallel importer may use the trademark (if any) to market his goods, which leads to the anger of the official importers, because this would lead to competition in this area.

Consequently, in an attempt by official importers to prevent parallel importation, disputes between the official importer or the holder of the marketing right, and the parallel importer reach the courts in many cases. Usually, when the case is related to original and non-counterfeit goods, the court's decision is in



the favor of the parallel importer. Therefore, in many decisions, the courts deem the phenomenon of parallel import important, as it encourages free competition that benefits consumers, and there is no legal impediment as long as there is no doubt that the original goods are not fake, which may mislead the public, especially that the most important benefits of parallel import for the consumer are as follows:

1. The price: parallel importers may import from any source with the most appropriate prices, thus benefiting from the currency difference, and as goods holding well-known trademarks do not need advertising or marketing, the importer will not incur excessive expenses, which is in the interest of the consumer.
2. The parallel importer can import different shapes and designs of the product which offer consumers with a variety of options, in addition to being available to local merchants, the parallel goods are in high quality.
3. Parallel importers are flexible; the consumer gets what he expects without a series of complications.



Competition Law

Jordanian competition law was found to protect the investors and businessmen from unfair competition, and to motivate companies to raise their competitiveness, increase the productivity and to maintain the economic growth.





1. Unfair Competition:

In some cases, some investors and business owners may use illegal methods to achieve more profits and gain new customers and clients, and this may harm other investors and business owners, and it's considered as an act of unfair competition whether in industrial or commercial sectors contradictory to the honest practice such as.

The following is considered as one of the unfair competition acts:

1. Confusion which may occur with other competitors' products or activities related to commerce and industry activities, for example the competitor may use the trade name or business address already used by another dealer.
2. False assumptions in practicing trade, which might cause the loss of trust in the competitors' entity, products, or industrial or commercial activities, aiming to distort the merchant reputation, and to degrade his goods value, and the competitor can do this by using a lot of methods such as: disrupting flyers, publishing in the newspaper or magazines, radio or any other way of publishing
3. Any confusion caused to the product's general shape, misleading the public in regard to the product's price or manner of counting, or effecting the product's reputation.
4. Whether registered or not, if a trademark is used in Jordan and public misleading was caused in case the unfair competition.

It is also considered, as unfair competition to disclose trade secrets without the approval of the owner or encouraging someone else to do it, and the owner has the right to prevent anyone from using it, he also has the right to claim compensation for the damages caused as a result of any of the above.¹¹⁸

In case unfair competition occurred the damaged party and as a result of filing a civil lawsuit may claim compensation for the damages caused to him, as well as any application submitted to the relevant court during the examination of such lawsuit by any interested party accompanied by bank or cash guarantee accepted by the court to take the following measures:

1. End the competition.
2. Related articles and goods wherever they are, shall be subject to precautionary impoundment.
3. Preserving related evidence.¹¹⁹

Along with a bank or cash guarantee accepted by the court, an application can be submitted by the interested party before filing the lawsuit, to take action without having to notify the respondent, and if he approved any of the following, the court may approve his request:

1. The competition already took place against him.
2. Avoid any damage that may be caused if the competition is about to be committed.
3. The prevention of losing the competition evidence.¹²⁰

118 Points 1-4 Law No. 15 of 2000 on Unfair Competition and Trade Secrets, Article 2

119 Points 1-3 Article 3/B/1 of Law No. 15 of 2000 on Unfair Competition and Trade Secrets

120 Points 1-3, Law No. 15 of 2000 on Unfair Competition and Trade Secrets, Article 3/C

2. Market Control:

Monitoring markets happens through Market and Supply Control Directorate in the Ministry of Industry, Trade and Supply, it aims to protect Jordanian consumers by controlling the abundance and the prices of basic materials, check the declaration of products prices and that it is going to be sold according to the prices which has been declared by the Minister, and observing any concealment or not selling any products by the owners of companies, traders and investors.

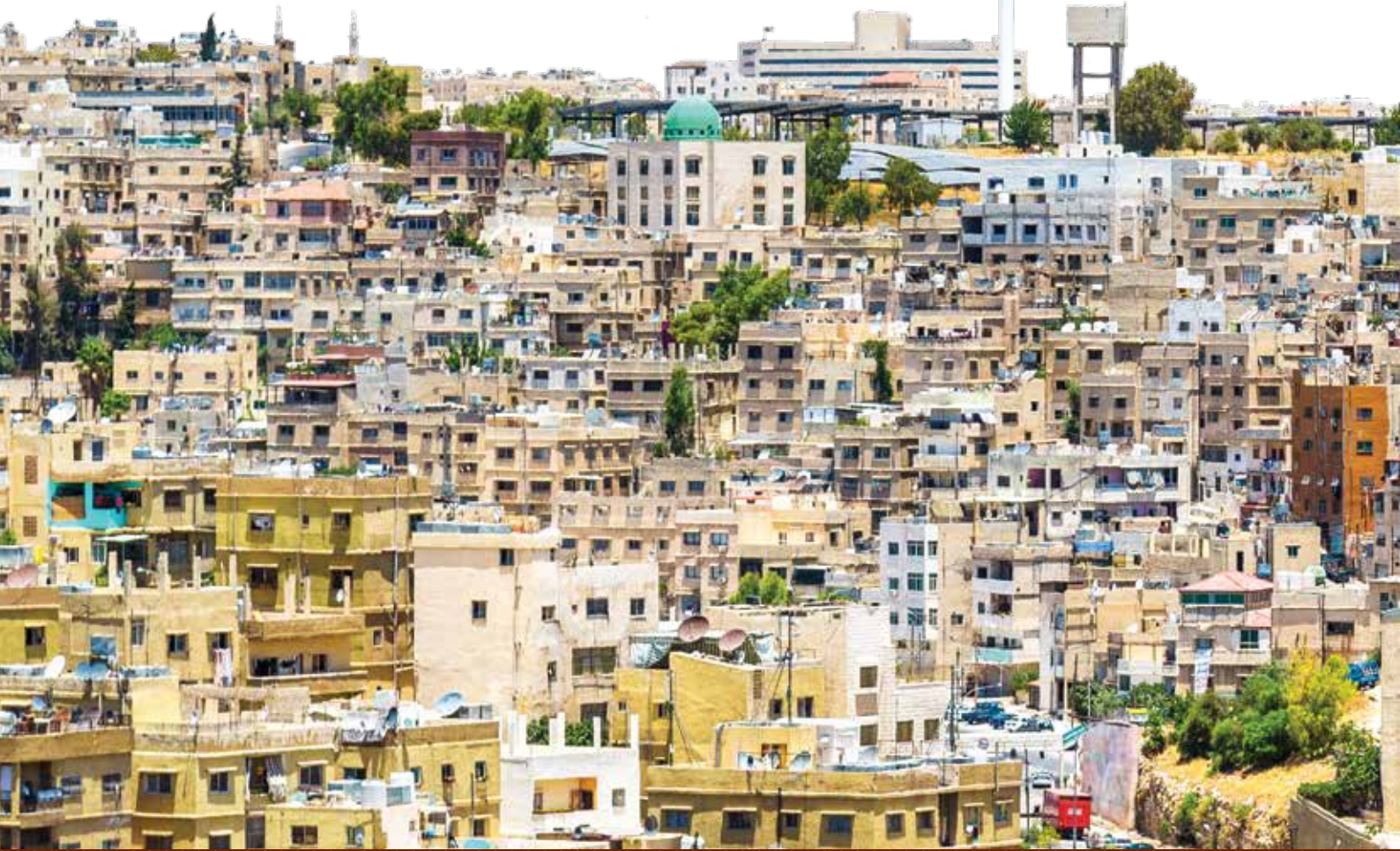
The policy of Market and Supply Control Directorate is to activate the role of the private sector to cope with the Ministry's policy, which aims to liberate goods market and services, to organize free market mechanisms, and to avoid the exploitation of the private sector to this freedom in a way that will not let the consumer benefit from this policy, through the following:

1. Preparing and organizing daily field trips to monitor the market and ensures that the traders will not violate the provisions of the law and instructions related to it.
2. Receive the complaints from citizens about goods and take the necessary measures.
3. Follow-up commodity prices through the follow-up program of food supplies, and monitor global and domestic goods prices.
4. Monitor the trades and importers' stores of basic products.
5. Make all the necessary reports about basic commodities and goods prices in the Kingdom.

Taxation System of the Hashemite Kingdom of Jordan

The contemporary definition of taxation:

Taxation can be defined as a monetary performance imposed by the authority on individuals as final and unrequited to cover the public burden, it is considered as a monetary obligation incurred by the assigned permanently as a financial mean used by the state to achieve its objectives.





Types of Taxes in Jordan

The types of taxes stipulated in Jordan can be listed as below:

A. Direct Taxes: These are the taxes stipulated in compliance with the Income Tax Law No. (38) of 2018 and its amendments, regulations, and instructions issued pursuant thereto. Under this law, the following taxes are imposed on the income:

- Profit tax.
- Salaries and wages tax.
- Individual tax.

B. Indirect Tax: the most important types of the indirect tax are the following:

- General tax imposed on sales under Law No. (6) of 1994 and the amendments, regulations, and instructions issued pursuant thereto.
- Special tax imposed on goods under Law No. (6) of 1994 and the amendments, regulations, and instructions issued pursuant thereto.
- Property tax (Musaqafat tax).

The Income Tax¹²¹

The tax rate varies in the Kingdom according to the activity nature, the area, and the varied applicable law.

■ The income rate under the income tax law

Tax imposed on operational companies in the Kingdom:

The following rates are applied on registered operational companies in the Hashemite Kingdom of Jordan, except for companies registered at Aqaba special economic zone authority, development zones, or free zones, as these are governed by special regulations.

- The levied taxes on taxable income for the legal person are according to the following percentages:¹²²
 - 20% for services, for all legal persons other than those provided below.
 - 24% for telecommunication, electricity distribution, and basic materials mining companies, in addition to insurance and re-insurance companies, brokerage firms, financial firms, and legal persons that perform commercial leasing activities.
 - 35% for banks.
- Taxes on salaries and wages or any other natural individual

121 Income Tax Law No. 38 of 2018

122 Article 8 of the Income Tax Law No. 38 of 2018

The natural resident in the Kingdom shall be granted the following exemptions:¹²³

- JD10,000 annually for individuals for the year 2019, and JD 9000 for the year 2020 and any following year.
- JD10,000 annually for their dependents for the year 2019, and JD 9000 for the year 2020 and any following year.
- The natural person and their dependents shall enjoy exemptions for expenses of medication, education, rental, housing loan interest and Murabaha as follows:
 - a. JD 1,000 for the taxpayer as of 2020 and onwards.
 - b. JD 1,000 for the taxpayer's spouse as of 2020 and onwards.
 - c. JD 1,000 for each child up to JD 3,000.

The levied taxes on taxable income for the legal person, after being granted the mentioned exemptions, according to the following percentages:¹²⁴

- 5% for each dinar of the first five thousand (5,000).
- 10% for each dinar of the following five thousand (5,000).
- 15% of each dinar of the following five thousand (5,000).
- 20% of each dinar of the following five thousand (5,000).
- 25% of each dinar of the following and up to one million (1,000,000).
- 30% of each dinar of the following for any income more than one million (1,000,000).

■ **Imposed on income of companies registered at development or free zones:**¹²⁵

- An income tax of five percent (5%) of the registered corporate's taxable income from its industrial activity inside the development and free zones, providing that the percentage of the added local value on such industries is not less than 30%.
- An income tax of ten percent (10%) of the registered corporate's taxable income for the rest of its activities inside the development and free zones.

■ **Under regulation No. (106) of 2016 for Income tax exemption for the profits of goods and services exports, the net profit resulting from exporting goods of local origin outside the Kingdom has been granted exemptions, except for profits resulting from:** ¹²⁶

Exportation of phosphates, potash, cement, fertilizer and any of its components or derivatives of any of them.

Exportation of goods and services covered by the trade protocols, bilateral payment and repayment agreements, or any agreements concluded by the government that include the exchange of any goods or services with any other country.

123 Article 9 of the Income Tax Law No. 38 of 2018

124 Article 11/A of the Income Tax Law No. 38 of 2018

125 Article 8/E of the Income Tax Law No. 38 of 2018

126 Article 7 of the Regulation No. 106 of 2016 for Income tax

■ **Net profits resulting from exporting the following services have been granted exemptions under this regulation as well:¹²⁷**

- Computer services
- Feasibility study services
- Legal, engineering, accounting and audit consulting services
- Business management and financial administration consultation services
- Human resources consulting services
- Pharmacological studies services.
- Information Technology (IT) services.
- Services provided on the Internet to customers outside the Kingdom.
- Outsourcing services.

Conditions of Exemptions on Goods and Services Exports:

1. The exported services must be set/prepared in the Kingdom and exported outside the country in order to receive exemptions.¹²⁸
 2. The assigned must keep financial statements that indicates the gross income derived from exportation, in order to benefit from the exemptions.¹²⁹
 3. The assigned must organize the records and files and keep them in accordance with the provisions of the tax law.
 4. The assigned must submit the following documents:¹³⁰
 - To prove that the good is of local origin a certificate of origin issued by the competent authority must be submitted
 - An invoice or sale contract for the exported good or service.
 - The customs data for the exported goods.
 - A proof that the benefit of the service occurred outside the Kingdom.
- The exemption related to the exportation of goods ended on December 31, 2018.¹³¹
 - The exemption granted to the exportation of services ends on December 31, 2025.¹³²

127 Article 4/A of the Regulation No.106 of 2016 for the Income Tax Law

128 Article 4/B of the Regulation No.106 of 2016 for the Income Tax Law

129 Article 5/A of the Regulation No.106 of 2016 for the income Tax Law

130 Article 6 of the Regulation No.106 of 2016 for the Income Tax Law

131 Article 3 of Regulation No.106 of 2016

132 Article 4 of Regulation No.106 of 2016

Other deductions imposed on taxpayers:

The following deductions have been stipulated by the income tax law on all taxpayers' without exception and wherever their registration is:

- 10% of non-exempted income paid directly or through an intermediary to anyone who is not a resident.¹³³
- 7% of any paid amount by a resident legal person as to any resident natural person of doctors, lawyers, engineers, accounts audits, experts, consultants, commissioners for taxpayers, agents and brokers of insurance and reinsurance, arbitrators, customs agents, brokers, agents, commission brokers, financial intermediaries and shipping commission brokers.¹³⁴
- 5% of any paid amount by a resident legal person as to any resident legal person of doctors, lawyers, engineers, accounts audits, experts, consultants, commissioners for taxpayers, agents and brokers of insurance and reinsurance, arbitrators, customs agents, brokers, agents, commission brokers, financial intermediaries and shipping commission brokers.¹³⁵
- 5% of the paid interest to any individual by banks, financial companies, and licensed companies, except for interest owed to banks by other banks.¹³⁶
- 15% of the prizes and lottery profits which value or amount exceeds one thousand Jordanian Dinars(JD1000).¹³⁷

Sources of income subject to tax according to the income tax law in Jordan

Any income earned in the Kingdom by an individual, or from it, regardless of the place of fulfillment, is subject to tax including the following:¹³⁸

- Business activity income.
- Interest, commissions, deductions, differences in currency, deposits' profits, and profits from any resident legal persons such as banks.
- Royalties
- Income from agriculture.
- Sale of goods, whether exported or sold in the Kingdom.

133 Article 12 of the Income Tax Law No. 34 of 2014 and its amendments

134 Article 12 of the Income Tax Law No. 34 of 2014 and its amendments

135 Article 12 of the Income Tax Law No. 34 of 2014 and its amendments

136 Article 12 of the Income Tax Law No. 34 of 2014 and its amendments

137 Article 12 of the Income Tax Law No. 34 of 2014 and its amendments

138 Article 3/A of Income Tax Law No. 34 of 2014

- Sale or lease of movables in the Kingdom.
- Lease of property, vacancy and key money in the Kingdom.
- Sale or lease of intangible assets, including goodwill, located in the Kingdom.
- Under the agreements of insurance and reinsurance of the dangers within the Kingdom income of insurance premiums payable.
- All forms of telecommunications services income, including international communications.
- Transport within the Kingdom and between the Kingdom and any other country.
- Re-exportation.
- Service allowance derived by non-resident in the Kingdom for a service he provides to any person, if any work or activity was performed in the Kingdom in relation to that allowance, or the outcomes of the service were used inside the Kingdom.
- Prizes and lottery profits which value or amount exceeds one thousand Jordanian Dinars (JD1000).
- Any contract similar to profits of commercial agencies, whether generated inside or outside the Kingdom.
- Any other income that has not been exempted under the provisions of the income tax law.

Moreover, any net profit achieved by a resident from any source outside the Kingdom providing that the income has originated from money or deposits in the Kingdom.¹³⁹

Jordanian operating company branch outside the Kingdom total of net incomes and stated in the company's final financial statements which must be validated by an external legal accountant.¹⁴⁰

The net income of external investments is subject to 10% tax which shall not be reduced in any amount or part and for any reason in addition, the e-commerce transactions.¹⁴¹

Income resources exempted from taxes:¹⁴²

- King's allocations
- Official public institutions, institutions and municipalities inside the Kingdom, on the other hand and upon the recommendation of the Minister and the decision of the Ministers Council the profit of any investment activity or the surplus of annual revenue shall be taxed.
- Non-operational foreign companies in the Kingdom profit.
- Charitable donations and orphans fund Development Corporation.

¹³⁹ Article 3/C of the Income Tax Law No.38 of 2018

¹⁴⁰ Article 3/C of the Income Tax Law No.38 of 2018

¹⁴¹ Article 3/C of the Income Tax Law No.38 of 2018

¹⁴² Article 4 of the Income Tax Law No.38 of 2018

- Shares profits and payments distributed by a resident individual.
- Expect for gains from covered assets in accordance with the provisions of the law, capital gains realized inside the Kingdom are exempted from taxes.
- Trading with stock, quotas, loan bonds, treasury bonds, deeds of Islamic finance, mutual funds, future contracts, and option contracts related to any of them.
- The non-Jordanian investor residing in Jordan income from sources outside the Kingdom and initiated from investing his foreign capital.
- Excluding allowance paid for loss of income, compensations paid by insurers are exempted from taxes.
- On condition of reciprocity, paid jobs for members of diplomatic or consular corps that are non-Jordanian representing countries in the Kingdom.
- In accordance with the legislation in force income derived from the distribution of estates to the heirs and legatees
- Employee's end of service bonus under any collective agreement or the legislation in force.
 - 100% of the employee's services prior to December 31, 20019.
 - 50% of the employee's services dating from to January 1, 2010 till December 31, 2014.
 - The first fifteen thousand (15,000) dinars of the employee's services after January 1, 2015.
 - Any amount that exceeds the above mentioned and are subject to 9% tax.
- The first two thousand and five hundred Jordanian Dinars (JD2500) of the total monthly pension including Almaloulih.
- Blinded or fully disabled to perform a job people's income.
- Banks and financial institutions non-operating in the Kingdom through banks operating in the Kingdom from interests, deposits, commission, profits of participation deposits in banks and financial companies that do not deal with interests.
- Re-insurance companies non-operating in the Kingdom, which are made through insurance contracts signed with insurance companies operating in the Kingdom .
- Double taxation avoidance agreements concluded by the government.
- The amount of (2000) dinar for each person with permanent disability.
- Amounts distributed from Takaful Funds in unions to their members and their heirs in case of death.

Moreover, any income from the jobs related to the following parties is exempted from taxes:¹⁴³

- According to the regulations of the diplomatic bodies, allowances and bonuses paid by virtue of abroad work for members of the Jordanian diplomatic and consular corps, employees of government, and official public institutions, public institutions, and workers in such systems are exempted from taxes.
- Meals and shelter services provided to employees in the workplace.
- Equipment and clothing necessary to perform the work that are provided by the employer to the employee.

Furthermore, all of the following individuals and parties are exempted from taxes:¹⁴⁴

- Parties, associations, professional bodies including; commercial and industrial chambers, cooperative societies and other associations legally registered and licensed to perform non-profit work.
- Religious, charity, cultural, educational, sport, and health institutions that are not for profit
- Offshore companies registered in compliance with the Companies Law, and the derivatives' from the work it performs outside the Kingdom except for the income generated from taxable resources according to the income tax law.
- Registered companies according to the companies law and are not for profit
- Not subject to taxes income from public pension funds, private pension funds, provident, saving funds, and other funds approved by the Minister of subscribers 'and employers' contributions to income.
- May be subject to exemptions, fully or partially, profits of certain types of goods and services exports that have local origin, providing that the foundations of the exemption, types of goods and services covered by this exemption, the rate, and duration are determined under a regulation issued for this purpose
- The first one million (1,000,000) dinars of a natural person's net profit from the sales of any agricultural activity.
- Shall be exempted from tax the first fifty thousand (50,000) dinars gross income derived by a person of agricultural activity within the Kingdom which include the following:¹⁴⁵
 1. Crops, cereals, vegetables, fruits, plants, flowers and trees production
 2. Livestock, fish, birds and beekeeping including eggs, honey production

143 Article 6 of the Income Tax Law No. 34 of 2014

144 Article 4 of the Income Tax Law No. 34 of 2014 and its amendments

145 Article 5 of the Jordanian Income Tax Law No.38 of 2018

Expenses that are deducted from the income before the tax is calculated:

Acceptable expenses shall be deducted for taxpayer including the following:¹⁴⁶

- In case no agreements were conducted to avoid double taxation the foreign income tax paid on income from sources outside the Kingdom and is subject to tax in that country according to the Provisions of the Income Tax Law, although if such an agreement existed, provisions related to ways of avoiding double taxation shall be implemented.
- Murabaha profits and paid and accrued interests.
- Murabaha profits and paid and accrued interests paid to individuals, in condition that the amount deducted may not exceed (1:3) from the net debt to the paid capital, or the average of intellectual property rights, whichever is higher.
- Banks allocations according to the banks law while taking into consideration that the bank must reduce the special allocation of non-performing credit in all of the following cases:
 1. Transformation of non-performing credit to a performing credit according to Banks Law.
 2. Collection of the non-performing credit value
 3. Cancellation off the credit value as a bad debt
 4. Any other case identified by the Central Bank
- In case of reducing the special allocation of non-performing credit, the bank is committed to show the reduced value of previously accepted tax on the gross income during the tax period in which the reduction took place.
- Unread premiums of insurance Companies' allocations and claims reserved under settlement, in addition to the account reserve from its gross income providing that the income includes the deducted amount of these allocations during the previous tax period and after that the re-insurers shares are deducted according to the provisions and procedures determined by the regulations for this purpose.
- Suspicious debts allocations for taxpayers and companies committed to organize the financial records, documents, and statements prepared in accordance with the international accounting standards and audited by a legal accountant
- Bad debts which have already been calculated in the gross income, in case this debt has been, in part or all, collected after being deducted, the collected amount is added to gross income to the tax period in which the collection took place
- Danger insurance payments relating to its taxable activity

146 Article 6 of the Income Tax Law No.38 of 2018

- Civil compensations in pursuant to contracts entered into by the taxpayer for the purpose of performing taxable activities.
- Payments by the business owner for the social security corporation on behalf of the employees, in addition to other contributions he make to any pension or savings fund, or any other fund founded by the employer after receiving the consent of Ministry for the employees interest.
- Hospitality and travel expenses incurred by the taxpayer
- Expenses of employees' treatment, meals at work location, travel and movement, life insurance against work injuries or death, and health insurance which are paid by the employer on behalf of the employees and their dependents.
- Marketing, scientific research, and development and training expenses
- Previous tax periods expenses which were not determined and final.

The taxpayer is not allowed to deduct the following:¹⁴⁷

- Tax, fines and other amounts stipulated under the provisions of the income tax law
- Criminal Fines and penalties paid as civil compensation
- The cost of the capital assets and its installation, and intangible assets cost
- Expenses related to income subject to a final tax or free-tax income, providing that the executive instructions shall identify how these expenses are calculated
- What exceeds the five percent (5%) of the taxable income of the foreign legal person branch subject to tax in relation to his share of the expenses of the headquarter located outside the Kingdom
- Allocations and reserves that are not included as deductions in the income tax law expressly like the paid amounts that can be refunded under an insurance policy or contract
- Household, personal, and private expenses.

Loss Carry Forward¹⁴⁸

- Taxable business activities loss incurred by any person, shall be deducted from the profits of other business activities in the same tax period.
- If the loss reached an amount that cannot be deducted in whole, it shall be carried forward to the tax period following the period in which the loss was incurred and not exceeding five (5) years of the date of acquiring the final status.

147 Article 7 of the Income Tax Law No. 34 of 2014

148 Article 8 of the Income Tax Law No.34 of 2014

- Activities outside the Kingdom loss it shall be carried forward to the profits of the same activity achieved outside the Kingdom
- Amount of donations or personal expenses shall not be included in carried forward loss.
- A loss, which shall not be subject to taxes if it was profits according to the income tax law, shall not be carried forward or deducted
- A loss shall not be deducted or carried forward unless the taxpayer showed fundamentalist and correct accounts in accordance with the Provisions of the Income tax law, and the regulations and executive instructions issued pursuant thereto.

Date of tax declaration submission:

- Each individual that has one or more income sources that are subject to tax is obliged to file a tax declaration according to the accredited form at the income and sales tax department until the end of the fourth month following the end of the tax period
- Before the end of the fourth month of the following period of the tax period, the taxpayer shall pay his due tax balance.¹⁴⁹
- To calculate tax due balance, there will be an offset of one hundred (100%) of property tax within municipal zones, which is paid by the taxpayer in any year on the leased building or land from which he generates an income taxable under the provisions of this income tax law, provided that such offset shall not exceed the tax due for that year and taking into account that the percentage of this income to the gross income of the taxpayer.¹⁵⁰
- The tax declaration shall be filed by the taxpayer personally or by whoever represents him or by any of the approved means by the department.¹⁵¹
- The dates of filing the tax declaration shall be considered the date of receiving it by the department or the date of the postal seal or the date of the deposit receipt from the bank or the private company, whichever is earlier, and in case of sending it electronically, the Executive Instructions shall define this date.¹⁵²
- The taxpayer may amend the tax declaration if there was any mistake in it, whether this mistake was an increase or decrease, and in this case, as he is obliged to pay the tax and a due delay fine.

149 Article 18 of the Income Tax Law No.34 of 2014

150 Article 18 of the Income Tax Law No.34 of 2014

151 Article 3 of Regulation No.59 of 2015 of System of tax returns, records, documents and profit ratios for Income Tax law

152 Article 3 of Regulation No.59 of 2015 of System of tax returns, records, documents and profit ratios for Income Tax law

Stipulated fines under income tax law

- In case of non-payment or failure to remit in the specified time in accordance with the law, the income and sales taxes department shall be entitled to a delay fine by four per thousand (0.04%) of the tax balance or any amounts which shall be deducted for every week delayed or any part of it.¹⁵³
- An additional tax of one hundred Jordanian Dinars (JD100) shall be imposed on any natural person obliged to file a tax declaration if he failed to meet the deadline, three hundred Jordanian Dinars (JD300) for the legal person of non-shareholding companies, and one thousand Jordanian Dinars (JD1000) for public shareholding companies and private shareholding companies.¹⁵⁴
- In the following cases an additional tax shall be imposed on the condition that it is not less than two hundred Jordanian Dinars (JD200) and not exceeding five hundred Jordanian Dinars (JD500):¹⁵⁵
 1. Failure to keep the record or documents by the taxpayer in accordance with this law
 2. Failure of the taxpayer to register with the department in accordance with this law
 3. Failure to provide the department with the names and addresses of the legal accountants clients
 4. Not notifying the department of any changes related to the information mentioned in the registration application within the specified time.
 5. Failing to withhold and remit the tax to the department in accordance with this law
 6. Refraining from submitting the records and documents which should be kept in accordance with the provisions of this law
 7. Refraining from issuing an invoice or a document when requested by the beneficiary.
 8. If it is proved that there is a lack of acknowledgment of the tax provided by the taxpayer if the percentage difference is not less than 25% of the tax due or the amount of permissible clearance as the case may be.

Income tax reduction in less developed regions regulation number 44 of 2016

The following activities are excluded from the provisions of this regulation:¹⁵⁶

- a. Activities by companies registered in free zones and development zones
- b. Generating electricity except what is generated using renewable energy
- c. Activities exempted or not subjected to income tax according to the income tax law

¹⁵³ Article 36 of the Income Tax Law No.38 of 2018

¹⁵⁴ Article 63 of the Income Tax Law No.38 of 2018

¹⁵⁵ Article 64 of the Income Tax Law No.38 of 2018

¹⁵⁶ Article 3 of the Income tax reduction in less developed regions Regulation number 44 of 2016

- d. Any activity that benefited from tax incentives stipulated in any other legislation regardless any property change.
- e. Mining industry
 - In order to benefit from the tax reduction stipulated in this regulation it is necessary to obtain a license in accordance with the related legislations, and a decision regarding any request for income tax deduction shall be issued by the concerned committee within 30 working days starting from the date of submitting the request.¹⁵⁷
 - The regulation applies to the less developed regions in Jordan, divided into four categories as follows¹⁵⁸:
 1. Category (A): Northern Jordan Valley, Dier A'lla, Rowashed, southern Shoune district, southern Jordan Valley, northern Badia, north west Badia, Al Azraq, Al Jeza except new Jeza municipality boarders, Al Muwaqar except Al Muwaqar municipality boarders, Al Aqaba except Aqaba economic zone.
 2. Category (B): Ma'an, Al TAfila, Al Karak, Ajloun
 3. Category (C): Jarash, Al Mafraq, Irbid except Irbid's great municipality boarders
 4. Category (D): Madaba, Balqa'a, Amman except greater Amman municipality, Al Zarqa except Al Zarqa municipality boarders and Al Rsayfe boarders.
 - The income tax is deducted for 20 years with the following percentages:¹⁵⁹
 1. 100% if the activity was in an area within category (A)
 2. 80% if the activity was in an area within category (B)
 3. 60% if the activity was in an area within category (C)
 4. 40% if the activity was in an area within category (D)

The General Sales Tax

Types of general taxes on sales: according to the General Sales Tax Law No. (6) of 1994, as amended and the regulations and instructions issued pursuant thereto, there are two types of sales taxes stipulated:

First: The General Taxes on Sales¹⁶⁰

- The sale of any good or service by a person inside the Kingdom is subject to the general tax unless other exemptions are granted under the law.
- Importation of any good or service from outside the Kingdom or from free zones.

¹⁵⁷ Article 6 of the Income tax reduction in less developed regions Regulation number 44 of 2016

¹⁵⁸ Article 4 of the Income tax reduction in less developed regions Regulation number 44 of 2016

¹⁵⁹ Article 5 of the Income tax reduction in less developed regions Regulation number 44 of 2016

¹⁶⁰ General sales tax law No.6 of 1994

The Sales Tax Rate

The goods and services subject to the general sales taxes have been divided, according to the calculated tax percentage, into commodity and services subject to general tax or after.

1. The general tax rate is sixteen percent (16%) of the importation value of any commodity or service subject to the general tax, or the sale value of any of them.¹⁶¹
2. Ten percent (10%) of the commodity and services value for certain goods and services.
3. Four percent (4%) of the commodity and services value for certain goods and services.
4. A zero percent (0%) tax is imposed on the sale or importation of any of the commodity or services mentioned in table (2) attached to the general tax law on sales.¹⁶²

Subject to General Tax:¹⁶³

All of the commodity mentioned in table (1) attached to the general tax law on sales and for one time are subject to special tax in any of the following cases:

- The importation of any of the commodities from outside the country or from the free zones
- Offering goods locally produced for trading for the first time, or for the first sale or subsequent to this item.

Goods and Services Subject to Special Tax:

The value of the imposed special tax is determined according to the goods and services' types, for example, the value of the special tax is determined for some goods such as cigarettes and alcohols, while for other goods, the special tax is determined in percentage of the sale value, such as the twenty four percent (24%) special tax imposed on cell phones.

Meanwhile, it must be taken into consideration that when calculating the general tax for commodities subject to special tax, the value of the special tax is added to the value of the service or good and the sum is the multiplied by the general tax percentage.¹⁶⁴

Registration in the General Sales Tax

Any person who sells a taxable good or service is committed to register before the income and sales tax department by any of the following dates:¹⁶⁵

- The starting date of practicing a new business in relation to sale of taxable sales and goods, if it is found that the sales for the twelve months following the conduct of this business may exceed the registration limit.

161 Article 6 of the General Sales Tax Law No.6 of 1994

162 Article 7 of the General Sales Tax Law No.6 of 1994

163 Article 4 of the General Sales Tax Law No.6 of 1994

164 Special Tax Regulation No. 80 of 2000 and its amendments

165 Article 13 of the General Sales Tax Law No.6 of 1994

- The end of a period of twelve consecutive months in which the sale value of the taxable goods and services reach the registration limit.
- The end of a period of eleven (11) consecutive months in which the person observes that his sales of the taxable goods and services reach the registration limit during the period and within a following month.
- Within thirty days (30) from the date of his first importation regardless of the imports size unless this importation was for personal use.

The registration limit for general sales tax:¹⁶⁶

1. Ten thousand Jordanian Dinars (JD10,000) for the manufacturer of goods subject to the special tax.
2. Seventy five thousand Jordanian Dinars (JD75,000) for the industrial, commercial or agricultural sector.
3. Thirty thousand Jordanian Dinars (JD30,000) for the service supplier.

Declaration of General Sales Tax:¹⁶⁷

- The Registrant who is obliged to pay the general tax must file each two (2) months a declaration of his goods and services sales using the prepared form, even if no sales were achieved during that period, providing that the declaration and the tax payment must be completed before the end of the third month.
- The Registrant may amend the sales tax declaration if he found any mistakes in it, which shall not be considered a violation to the law. The Registrant however loses this right if the income tax department preceded in discovering this mistake and he is obliged to pay the difference in tax and a delay fine of four thousand (4000) for each week or part of it due to this mistake.
- In case the Registrant did not file the declaration for any of the tax periods, the director general of the department shall issue a decision regarding the estimation of the taxable goods and services sale during that period and the due tax value, which the registrar may not appeal before filing the required declaration and paying the due tax during that period and the imposed delay fines, as he must complete the same within sixty (60) days of the notification date, otherwise the decision shall become final and conclusive.

166 Article 3/B Regulation No.81 of 2000 of the registration limit for general sales tax
 167 Article 16 of the General Sales Tax Law No.6 of 1994

Tax Deduction and Refund

Tax Deductions:¹⁶⁸

Each Registrar must deduct the following when calculating the due tax balance:

- Previously paid taxes, both general and special, on his discarded sales providing that he must comply with the following:
 - The deduction amount equals the previously paid tax
 - The tax has been indeed refunded to the buyer or has been registered in his account at the Registrar records
 - Proof of receipt of returns by the registrar and its entry in regular records
- Previously paid general and special tax sales on postponed sales and which have become in bad debt counter providing the compliance with the following:
 - The deduction amount equals the previously calculated or paid general tax
 - The deferred payment sales are proved with official contracts or invoices which the estimator must be convinced with
 - To prove that the deferred payment tax on these sales has become futile for which it become of bad debt
- Previously incurred general taxes on his purchases or imports of goods and services during the registration period
- Previously incurred general taxes before the registration on the commodities he obtained before the registration in condition that:
 - Provide a detailed inventory at the time of registration indicating the quantity of goods and the value of the tax previously paid for the goods subject to tax accompanied by a tax invoice issued in his name and customs import data in his name and financial access to him.
 - If the value of the tax paid on such goods cannot be proved, the registrar may deduct a tax equal to 50% of the general tax rate on the value of goods included in the purchase invoices.
- Previously incurred special tax on goods used in producing and manufacturing other goods subject to special tax itself.

Tax Refund:¹⁶⁹

Tax shall be refunded within three months of the date of the refund request for the following cases:

- The already collected tax on exported goods and services or on goods used in the production of other exported goods

168 Article 19 of the General Sales Tax Law No.6 of 1994

169 Article 20 of the General Sales Tax Law No.6 of 1994

- Tax that was mistakenly collected
- General tax balance on deductible inputs which has been paid in more than six (6) months without being deducted from the general tax accrued to the Department during that period
- Tax paid on goods held by non-residents when leaving the country providing that the repaid tax is not less than fifty Jordanian Dinars (JD50) and not exceeding five hundred Jordanian Dinars (JD500).
- Special tax previously paid on products sold to any of the exempted parties under after assuring the Department has received the tax. These exempted parties include: his Majesty the King, embassies, commissions, non-honorary consulates, non-Jordanian members of the diplomatic and consular corps accredited by the Kingdom, international and regional organizations operating in the Kingdom and comprise non-Jordanian employees.¹⁷⁰

The registrant must present his taxable and exempted sales in his accounting books and tax declarations in order to benefit from the tax deduction charged to the production inputs and outputs and provided services for the taxable activity only, while the exempted activity shall not be granted tax deductions on its inputs of goods or services.

Registration Procedure Before The Sales and Income Tax Department¹⁷¹

A registration application must be submitted before the department using the accredited form for this purpose according to the following:

- If the applicant is a legal person, the following details must be attached to the application:
 1. The legal person registration certificate certified by the competent authority along with the names of authorized persons to sign, as well as a copy of the registration certificate of the trade mark if any.
 2. An identity document of the signatory or his designee in writing.
 3. A certified copy of the vocational license in the number of branches of the main activity intended to be registered, with the branches' addresses, and the names and addresses of their stores and warehouses.
 4. A certified copy of the importation card if he was an importer.
- In case the applicant was a natural person, the following details must be attached:
 1. An identity document including the national number for Jordanians and a copy of the passport for non-Jordanian
 2. A certified copy of the commercial register certified by the competent authority, as well as a copy of the registration certificate of the trade mark if any

¹⁷⁰ Article (21) of the General Sales Tax Law No. 6 of 1994

¹⁷¹ Articles 4&5 of the Instructions for registering with the Department for income tax purposes No. 4 for the year 2015

3. A certified copy of a valid vocational license in the number of branches of the main activity intended to be registered, with the branches' addresses, and the names and addresses of their stores and warehouses
4. A certified copy of the importation card if he was an importer
5. The individual must indicate his address in the registration application for the purposes of notification in accordance with the law.
 - The registrant is obliged to inform the department in writing using the accredited form by the department with any emerging changes to the details included in the registration application within thirty (30) days of the date of event in order to enable the department to issue a new registration certificate in light of these changes which shall hold the same previous registration number providing that the registrant must return the old registration certificate.
 - The registration application is submitted before the department directly accompanied with all the above-mentioned documents providing that the application must be signed by the activity owner or the person authorized to sign on his behalf or his assignees in writing before the competent employee from the department as the signature must be certified by any competent authority.
 - The department assign a registration number for the applicant which is placed on the registration certificate issued by the department according to the accredited form for that purpose as the certificate must also be signed by the manager or whoever authorized to sign on his behalf and is stamped with the official stamp of the department.
 - The registrant is obliged after receiving the certificate to put it in a visible place as long as he is practicing his activity, and to put a certified copy in each branch of the activity of the registrant, if any.

Second: Property and Lands Taxes (Musaqafat)

It is the tax imposed on leased residential buildings, empty lands, factories, buildings and other which falls within the boundaries of the Greater Amman Municipality and the municipalities of the capital governorate

The Assigned Taxpayer:

The designated, or the beneficiary of the owning, or who received leasing payment.

Property and Land Taxes include

The Property and Land Tax (Musaqafat) is calculated for buildings as fifteen percent (15%) of the estimated or actual leasing value whichever is higher, and that tax is divided as follows:

- 10% buildings and lands tax
- 2% Ma'aref tax

- 3% sewage contribution fees
- 2% tax imposed on vacant land.

The Estimation of Property and Land:

The estimation committee's authorizations:¹⁷²

- The committee or inspector shall be allowed to enter the property intended to be estimated after the permission of the buildings and lands owners or their operators any time during the official working hours
- The estimation committee or inspector have the right to review the books, accounts, ownership or lease documents in order to organize the estimation list.
- For the purpose of estimation, the committee has the right to sort any piece (un-official) of the land or merging the pieces

The Estimation Process:

An evaluation is carried out to estimate the net annual rent for the buildings and lands at the Greater Amman Municipality and the municipalities in the capital governorate based on the principles and instructions of property estimation within the municipality areas which are issued by the Ministries' Council according to equations that takes into consideration the category and level of the construction and the purpose of use (residential, commercial, industrial) regardless of the issued license.

Filing an Appeal¹⁷³

Any assigned shall have the right to appeal to the estimation committee's decision according to the following:

- The appeal filing must be within thirty (30) days of the date of the notification of the estimation
- A clear evidence for appeal must be submitted
- In light of the provided data the specialized estimation committee and upon reviewing the appeal shall issue its decision of amending the estimation value or keeping it the same in light of the provided data, and the assigned is informed accordingly.

If the assigned was not convinced with the decision of the committee regarding his first request he has the right to file another appeal, within fourteen (14) days of the notification of the committee's decision.¹⁷⁴

The specialized appeal committee will review the request and issue its decision of amending or keeping it the estimation as it is in light of the provided data and the appellant shall be notified with the decision which is considered final and irreversible.¹⁷⁵

¹⁷² Article 6 of the Building and Land Tax Law within the Municipalities No.11 for 1954

¹⁷³ Article 9 of the Building and Land Tax Law within the Municipalities No.11 for 1954

¹⁷⁴ Article 10 of the Building and Land Tax Law within the Municipalities No.11 for 1954

¹⁷⁵ Article 10 of the Building and Land Tax Law within the Municipalities No.11 for 1954

An Estimation Review Request:¹⁷⁶

The estimation is re-considered for the following reasons:

- An estimation list re-evaluation was requested by an assigned due to property damage, or the value of its net annual lease by twenty percent (20%)
- If the inspector claimed that the net value of the annual lease for any enlisted property has increased by twenty percent (20%) and therefore requested for a review of the estimation.
- If any property was merged with another section or segmentation was performed for any enlisted property, or any addition after the last estimation date.
- If the type of any property was changed from a land to a building or vice versa since the last estimation conducted
- If any under the land settlement law any property was settled or the space has been changed due to a registration procedure at the land department since the last estimation.

Exemptions from Property and Lands Taxes

Encouragement Deductions¹⁷⁷

The assigned is exempted from eight percent (8%) of the due taxes of buildings and lands if it was paid during the months of January and February of each year.

The assigned is exempted from six percent (6%) of the due taxes of buildings and lands if it was paid during the months of March and April of each year.

The assigned is exempted from four percent (4%) of the due taxes of buildings and lands if it was paid during the months of May and June of each year.

Request for Fifty Percent (50%) Off of The Tax¹⁷⁸

- A submission at the beginning of the fiscal year and during the first three months, the owner of the non-operational construction intended for lease, of a request informing the manager of the financial center that his construction is non-operating and on annual basis
- A Sensory inspection will be performed by the committee for the construction for several times during the year to assure the construction is non-operational and to submit its claims on the exemption request
- At the beginning of January, the committee studies the received requests and performs another detection on the constructions to assure they are still non-occupational

¹⁷⁶ Article 19 of the Building and Land Tax Law within the Municipalities No.11 for 1954

¹⁷⁷ Article 12/6 of the Building and Land Tax Law within the Municipalities No.11 for 1954

¹⁷⁸ Article 12/5 of the Building and Land Tax Law within the Municipalities No.11 for 1954

- A confirmation of the claims on the request by the committee shall be submitted if it is asserted that the construction was not occupied thorough the whole year in any form to the manager of the financial center.
- The claimant is then informed when visiting for reviewing his claim that he received the exemption of half of the tax for his construction due to not occupying it in any form and during the year of the tax period
- The exemption of half of the tax does not include “Al ma’aref” tax and the sewage contribution fees

The following are exempted from the property taxes:¹⁷⁹

- Anything owned by the state treasury
- Historical and touristic sites
- Local municipalities and councils
- Recognized cultural, sport, or social clubs
- Anything owned by a charity or religious commission that is registered or licensed according to the legal protocol.
- A property of a foreign country that is used as a home for a consulate or a commission, if that country provides the Jordanian counterparts the same exemptions in reciprocal
- No governmental body, public institution, or any legal or natural person is exempted from the swages contribution fees.
- The wages contribution fees are collected from the owner or whoever acts on his behalf in the property with an amount of three percent (3%) of the net annual lease as estimated under the buildings and lands taxes law.
- Al Ma’aref tax is collected from the owner or the tenant for an amount of two percent (2%) of the net annual lease as estimated under the Buildings and Lands Taxes Law and the owner has the right to transfer this tax which he has paid to the tenant.

Stipulated Fines in Case The Tax is Not Paid:

- If the property and land taxes are not paid during the fiscal year in which they are due, an additional amount shall be imposed as a fine of 10% of the amount payable and will increase annually until it reaches 50% of the payable tax.
- If the Ma’aref tax is not paid during the fiscal year in which it was made, an additional amount shall be imposed as a fine of 5% of the amount payable and will annually increase to 50%

179 Article 12/6 of the Building and Land Tax Law within the Municipalities No.11 for 1954

Immovable Property Taxation

- The owner or whoever acts on his behalf shall pay the swages contribution fees and taxes, collected within the beginning of the fiscal year of each year
- The estimation committee shall be informed through the financial center manager where the property is located by any owner of a building or a land that is located in an area subject to taxes under the provisions of the building and lands taxes law, and has sold or exchanged or acted in any other way in that property, and any individual who has become the owner of the property by inherent.
- The owner must inform in writing the financial center manager within a month of the establishment completion when a new construction is established or there is any addition to an existing construction.

TAG Tax Free

The government of the Hashemite Kingdom of Jordan, represented by the Income and Sales Department, has signed an agreement with Talal Abu-Ghazaleh and Co. International on sales tax refund for non-residents of Jordan on November 5, 2015 under which Talal Abu-Ghazaleh and Co. International has been appointed exclusively to represent the Income and Sales Department in the transactions required for the general tax refund on sales for non-residents through establishing centers through land and air crossroads in the Kingdom

Definition of Tourists and Non-Residents:

The Jordanian or foreign natural person who resides outside the Kingdom for a period exceeds one hundred and eighty three (183) days during the twelve (12) months preceding the date of his leave of the country

Conditions of Tax Refund

- The purchases of the non-resident are from traders who are registered in the accredited dealers' network
- The issued purchase billing and/ or receipt issued by an original machine (cash) and stamped by the accredited dealer next to the buyer's name
- The amount of the tax must be visible and placed separately on the purchase billing and/or the receipt issued by the original machine
- The value of the paid sales tax must exceed fifty Jordanian Dinars (JD50)
- A refund form must be filled in addition to a form on the tourist details which are available with the dealer
- Keeping a copy of the refund form and the original billings which must be stamped to obtain the customs approval when leaving the country through any of the borders.

- The customs employee must be shown the purchased goods who shall stamp the billing and the form as an evident of submission
- In case the tourist handed his package through the traveler gates on the 7th circle, he must keep with him the purchases he desires a tax refund for to be checked by the customs employee in the airport
- After the completion of the transaction by the customs, the non-resident must submit the refund form, the original purchase billings, the plane ticket, a copy of the passport, and the traveler details form to the TAG Tax Free window
- If the transaction meets all the refund conditions and the tax value was between fifty Jordanian Dinars (JD50) and five hundred Jordanian Dinars (JD500), the amount will be refunded immediately.
- If the tax amount exceeded five hundred Jordanian Dinars (JD500), the non-resident must submit the refund form, the original purchase billings, the plane ticket, a copy of the passport, and the traveler details form to the TAG Tax Free window, which will follow-up with the transaction with the Income and Sales Tax Department on his behalf, and on receiving the approval of the department to refund the tax, TAG Tax Free shall transfer the amount to the non-resident's account as indicated in the traveler form.

In case the non-resident was not able to handle the forms and the billings stamped by the customs employee for any reason and the leave was through the airport and/or any land border posts of the Kingdom of Jordan, he may send original copies of the following documents:

- Purchase billings and tax refund form stamped by the customs accompanied by the traveler details form
- A copy of the first page of the passport which includes the personal details and a copy of the page that includes the entrance and leave the Kingdom stamps issued by the public security
- A copy of the entrance and leave tickets issued by the Public Security for the non-residents through the land borders of the Kingdom
- As for the departures of the West Bank citizens through the King Hussein bridge, a copy of crossing bridges must be attached and ratified by the public security and indicates the dates of entry and exit.
 - The previously mentioned information must be provided within seventy (70) days of the date of purchase
 - The required document shall be sent through mailbox or any other way to following address: Talal Abu-Ghazaleh Building No. (26), Prince Shaker bin Zaid Street, Shmeisani, Amman P.O Box: 3966, Amman 11053, Hashemite Kingdom of Jordan

Jordanian Labor Law

Jordanian labor law number (8) of 1996 and its amendments to organize the relationship between employees and employers to guarantee the rights of both parties, this law has many provisions to organize work, wages, and the rights and the obligations of both parties.





I. Employment Contracts:¹⁸⁰

Contracts of employment shall be drawn up in Arabic and in at least two copies, each party shall keep a copy, if such contract is not made, the worker may establish his rights by all legal means of evidence, and if the worker is a foreigner another copy of the contract must be organized in a foreign language according to the instructions issued by the Minister of Labor for this purpose.

Employment contracts according to the Jordanian Labor Law is divided to:

- **Fixed-term contracts:**¹⁸¹ It's a contract specified for a certain period or has been concluded to accomplish a particular job and it ends by the end of the job, but if the parties of the contract continue working according to it after its end, it will be considered as a renewal of the contract for an indefinite period since the start of use.

If the employer terminated the contract without a legal or a reasonable reason, the employee has the right to attain all of his virtues and rights according to the contract, he also deserves the wages until the end of the contract, but if the termination is by the employee without any reasonable or legal reasons, the employer has the right to go to the court and ask for a compensation for the loss and damages that happened to him because of it, and the court assesses the compensation according to the law which is no more than half a month wage for each month of the remaining term of the contract.¹⁸²

- **Non-fixed contracts:**¹⁸³ It's a contract with no specific period since its signature, or when the parties continue working after the end of the fixed-term contract, so the employee keeps on working until the end of his services.

If any of the parties wants to end the contract then he must send a written notification to the other party before at least one month, and the notification may not be withdrawn without the consent of both parties. In case the termination of the non-fixed contract by the employer without notifying the employee, and the court found out that the termination was against the law and it's an arbitrary dismissal, it will ask the employer either to re-hire the employee or pay him the compensation which is half a month wage for each year of the employees' service, and no less than the wage of two months plus the notification recompense. If the employee is not subject to the provisions of social security law and the employer ended his services for any reason, he has the right to get leaving indemnity which is one month wage for each year of his actual service, and it must be calculated according to the last wage he took. In case the termination was by the employee without notifying the employer or if he left his job before the end of the notification period, then he doesn't have the right to ask for any rights, and the employer has the right to ask for compensation for loss and the damages happened to him because of the employee.

180 Article 15/A of the Jordanian labor law number (8) of 1996 and its amendments

181 Article 15/C of the Jordanian labor law number (8) of 1996 and its amendments

182 Article 26 of the Jordanian labor law number (8) of 1996 and its amendments

183 Articles 15/B & 23 of the Jordanian labor law number (8) of 1996 and its amendments

- In the following cases, the employer may dismiss the worker without prior notice:¹⁸⁴
 1. The worker assumes a false identity or submits false certificates or documents with the purpose of acquiring a benefit or causing prejudice to others.
 2. The worker fails to fulfill the obligations stipulated in the contract of employment.
 3. The worker commits a fault causing the employer considerable material damage, provided that the employer notifies the appropriate bodies of the accident within five days from the date on which he or she learns of its occurrence.
 4. The worker, in spite of receiving two written warnings, fails to observe the internal regulations of the establishment, including safety regulations.
 5. The worker is absent from work without a reasonable cause for more than 20 days intermittently, or for more than 10 consecutive days during any one year, provided that prior to the dismissal a written notice is sent to his address by registered mail and published, at least once, in a daily local newspaper.
 6. A court, in a final judgment, found the worker guilty of a criminal offense or a misdemeanor involving dishonorable or immoral conduct.
 7. The worker attends work in a clear state of intoxication or under the influence of any drugs, or if he has committed, at the workplace, an act violating principles of moral conduct.
 8. The worker strikes or insults the employer, the manager in charge, a superior, a fellow worker, or any other person at work.
 9. The worker discloses work secrets

- The worker may terminate the contract, without notifying the employer, in the following cases:¹⁸⁵
 1. The work is notably different in nature from that work agreed on in the contract of employment.
 2. The work conditions necessitate a change of residency unless this was stipulated in the contract.
 3. The worker has been downgraded from the agreed level of employment.
 4. The worker's wage was lowered.
 5. A medical report has been issued by a medical authority that proves that the work, if continued, could be hazardous to the worker's health.
 6. The employer, or the person acting on his behalf, strikes or insults the employer or sexually assaulted him during the course of work.
 7. If the employer didn't implement any provision of the law or any regulation issued by a competent authority in the Ministry of labor which he must adhere to, but he must receive notice of those provisions before.

184 Article 28 of the Jordanian labor law number (8) of 1996 and its amendments

185 Article 29 of the Jordanian labor law number (8) of 1996 and its amendments

II. Probation Period:¹⁸⁶

The employer may place any new employee under probation to ascertain his capability and potentials to carry out the required work provided that the period of probation does not exceed, in any case, three months, and the employer may not increase it, if the employee continues in his work after the expiry of the probationary period, the contract shall be considered as an unlimited period work contract and the probationary period shall be considered of the employee's service for the employer, and the wage of the employee under probation should not be below the minimum wage established for the wages.

Both parties have the right to terminate the contract during probation period without notifying the other party without notice or terminal benefit during the probationary period, but the employer must give the employee his wages if he terminates the contract.

III. Foreign Workers:¹⁸⁷

Individuals of all nationalities must apply for a working permit if they want to work in Jordan. The employer, and work permits are issued with the approval of the Ministry of Interior Affairs. If the employer used a worker without work permit, he will be punished according to the law by paying a fine which is no less 200 JD and no more than 500 JD, and in case of repetition this fine is doubled, and this fine may not be reduced to less than the minimum regarding to any reason or case.

The duration of work permits is for one year only, and it may be renewed once again for another one year.

IV. Working Hours, Overtime, and Holidays:

Working Hours and Overtime

The maximum number of working hours allowed is 48 per week or eight hours per day, noticing that break and eating times are not calculated with the working hours¹⁸⁸, but the employer may put the employee to work more than the ordinary working hours in any of the following cases provided that the employee receives, in any of these cases, the overtime pay according to the law:¹⁸⁹

- a. Carrying out the establishments' annual inventory, preparing the balance sheet, and closing accounts, getting ready to sell at discounted prices provided that the numbers of days on which the provisions of this paragraph are applied do not exceed thirty (30) days per year and that the actual working hours do not exceed ten (10) hours every day thereof.
- b. To avoid the occurrence of loss to the goods or any other item which is exposed to damage, to avoid the risks of a technical work or to receive certain materials, delivery or transporting of same that the numbers of days on which the provisions of this paragraph are applied do not exceed twenty (20) days a year.

186 Article 35 of the Jordanian labor law number (8) of 1996 and its amendments

187 Article 12 of the Jordanian labor law number (8) of 1996 and its amendments

188 Article 56 of the Jordanian labor law number (8) of 1996 and its amendments

189 Article 57 of the Jordanian labor law number (8) of 1996 and its amendments

- General Note: Juveniles between 16-18 years may be employed, taking into consideration that their working hours must not exceed six hours a day, and they must have a break time no less than one hour after four continuous working hours.¹⁹⁰
- It is permissible to put the employee to work for more than the legally permitted working hours with his consent, but he must receive a wage for every overtime hour with a minimum of 125% of his wage, and if he worked in his weekly rest day, during religious holidays, or any official holiday, he must receive a minimum wage for his work during that day no less than 150% of his wage.¹⁹¹

Holidays and Leaves

- Every Friday of each week is the official rest day for the employee, noting that the employees weekly holiday must be with full pay, unless both parties agreed on a different thing. The employee may, with the employers' approval, combine the days of his weekly holiday and obtain it within a maximum period of one month.¹⁹²
- If the employee's period of service did not reach one year, he has the right to obtain a leave with fully paid in proportion to the period of his service during the year, it is also permissible to postpone the employees leave for any year by an agreement between the employee and the employer to the immediate coming year, noting that the employee's right of postponed leaves in this manner shall drop if the year to which it is postponed ended and he didn't use it during same year, and the employer may not reject the employees request for the utilization of his leave.¹⁹³
- The employer may fix, during the first month of the year, the date of each employee's annual leave and how to use it in his establishment according to work requirements, taking into consideration the employee's interests, if the annual leave is not taken at one time, the part of it may not be less, at any time, than two days.¹⁹⁴
- If the employee's service is terminated for any reason before using his annual leave, he has the right to take the wage for the remaining days, and any agreement stating that the employee may abdicate his annual leave or any part of it is void.¹⁹⁵
- Every employee has the right to take fourteen days sick leave per year fully paid, based on a certified medical report, and this leave may be renewed for another fourteen days fully paid if he is hospitalized in one of the hospitals or according to a certified medical report from a committee approved by the establishment¹⁹⁶.
- Every employee shall has the right to take fourteen day leave per year fully paid in any of the following cases:¹⁹⁷
 - If he joins a labor cultural course approved by the Ministry upon the nomination of the employer or the establishments manager in coordination with the concerned Union.
 - To do pilgrimage, and to grant this leave the employee must have served at least five consecutive years with the employer, this leave is only granted once during the period of service.

190 Article 75 of the Jordanian labor law number (8) of 1996 and its amendments

191 Article 59 of the Jordanian labor law number (8) of 1996 and its amendments

192 Article 60 of the Jordanian labor law number (8) of 1996 and its amendments

193 Article 61/B/C of the Jordanian labor law number (8) of 1996 and its amendments

194 Article 61/D of the Jordanian labor law number (8) of 1996 and its amendments

195 Article 63 of the Jordanian labor law number (8) of 1996 and its amendments

196 Article 65 of the Jordanian labor law number (8) of 1996 and its amendments

197 Article 66/A of the Jordanian labor law number (8) of 1996 and its amendments

- The employee has the right to take four months leave without pay if he joins an officially recognized University, Institute or College.¹⁹⁸
- Every employee has the right to take the following unpaid leaves:
 - The woman who works at an establishment which engages ten employees or more shall have the right for unpaid leave for a maximum of one year, to look after her children, and she has the right to return to her work after the end of this leave, but she will lose this right in case she worked for another establishment during this period.¹⁹⁹
 - Each working couple may have unpaid leave once for two years maximum to accompany his spouse if he/she transferred to another work located outside the governorate where he/she works within the Kingdom or outside it.²⁰⁰
- The working woman shall have the right to obtain a maternity leave for ten weeks with fully paid before and after delivery, noting that the period subsequent to delivery may not be less than six weeks, and it's prohibited to make her get back to work before the end of this period.²⁰¹
- The working woman shall have the right within a year of the date of delivery, of a maximum of one hour per day fully paid to nurse her new born after the end of the maternity leave.²⁰²
- All these leaves are rights for the worker and it's not possible to abdicate it.
- The employer doesn't have the right to notify the employee to terminate him or to end his contract in these cases:²⁰³
 - Working woman during her maternity leave or starting from the sixth month of pregnancy.
 - The employee who's commanded to do military service, or the auxiliary service during the military service.
 - The employee during his annual leave, or during his sick leave, or any leave he granted for labor culture, for pilgrimage, or during any leave both parties agreed on so the employee can do union work or to attend college or university.

V. Wages:

The amount of wage shall be fixed in the contract, if it's not mentioned in it, the employee shall receive the wage estimated for a work of the same type, or otherwise it shall be estimated according to customs, if not, the court shall estimate it according to the provisions of labor law as being a labor dispute related to wage.²⁰⁴

198 Article 66/B of the Jordanian labor law number (8) of 1996 and its amendments

199 Article 67 of the Jordanian labor law number (8) of 1996 and its amendments

200 Article 68 of the Jordanian labor law number (8) of 1996 and its amendments

201 Article 70 of the Jordanian labor law number (8) of 1996 and its amendments

202 Article 71 of the Jordanian labor law number (8) of 1996 and its amendments

203 Article 27 of the Jordanian labor law number (8) of 1996 and its amendments

204 Article 45 of the Jordanian labor law number (8) of 1996 and its amendments

The wage must be paid within seven days from the date of its entitlement, and the employer doesn't have the right to deduct any part of it, except in the cases permitted by the law.²⁰⁵

Noting that the current minimum wages are for Jordanian workers are JD220 per month.²⁰⁶

VI. Resolving Conflicts and Labor Disputes:

Magistrate court is the competent court to look through any labor disputes, or any quick labor demands, except for wages claims, because Wages Authority look through this kind of claims²⁰⁷ according to the following conditions:

- a. The subject of the lawsuit is claiming wage only.
- b. Adjudicates it quickly.
- c. The employee must be still working, or no more than six months passed since he left work in case this condition is not available, the employee has the right to recourse to the competent civil court.

VII. Social Security:

All establishments that employ five or more workers must have social security insurance, regardless of the workers' nationalities, contract period or form, or wages, noting that the wages should not be less than the minimum wage.

Social security system includes female workers between 16²⁰⁸-55²⁰⁹ years, and male workers between 16²¹⁰-60²¹¹ years.

Types of insurance provided by the Law are:²¹²

- a. Work injuries and occupational diseases insurance.
- b. Old age, disability and death insurance.
- c. Maternity insurance.
- d. Unemployment insurance.
- e. Health insurance.

The employer is not obliged to provide health insurance to the workers, in case he wanted to provide it, it must be organized according to the company's systems and internal regulations.

205 Article 46 of the Jordanian labor law number (8) of 1996 and its amendments

206 www.mol.gov.jo/Echobusv3.0/SystemAssets/PDFs/AR/Decisions

207 Article 137 of the Jordanian labor law number (8) of 1996 and its amendments

208 Article 4 of the Jordanian Social Security Law No.1 of 2014

209 Article 7 of the Jordanian Social Security Law No.1 of 2014

210 Article 4 of the Jordanian Social Security Law No.1 of 2014

211 Article 7 of the Jordanian Social Security Law No.1 of 2014

212 Article 3 of the Jordanian Social Security Law No.1 of 2014

Environment Law

The relationship between investment and environment is one of the most important contemporary economic topics because of its dangerous side effects, despite the positive aspects of this relationship it has a negative effect which cause a lot of serious damages on economic levels, despite the benefits from investments specially on the economic development process, there are a lot of negative effects because of these investments such as environmental pollution. So the Environmental Protection Law number 6 of 2017 came to organize this issue, everything related to it and any environmental issue.



There is also a regulation called Environmental Impact Assessment No. 37 of 2005, this regulation focused on determining the effects of investments and projects, and describing these effects.

Studying it to know its effect on the investment or the project, on social and economic aspects and to determine the ways to decrease any bad effect on the environment, such assessment is done during the preparation of the economic feasibility study, and during planning the investment, designing it, implementing it, operating it, and removing it, accordingly, it's not possible for any industrial, commercial, agricultural, housing, tourism investment, any construction, or any other investments to start working before having the necessary environmental approval for it from the Ministry of Environment.



Environmental impact assessment procedures:²¹³

1. In order to obtain the environmental approval so that the entrepreneur can start working on the project or investment, he must submit a request to the Ministry according to the form which is prepared for this purpose showing all necessary information in it, attached with the maps, designs, and the preliminary specifications of the project or investment.
2. According to the Secretary General's decision and upon the Ministry's competent authority recommendation the investment will be classified into the following categories:²¹⁴

a. Investments which require an environmental impact assessment evaluation:

- Oil refinery
- Electricity generating stations
- Installations designed to serve as a permanent warehouses, or landfills to dispose radioactive nuclear wastes
- Iron and steel factories
- Extraction facilities for converting asbestos and the materials used in it
- Integrated Chemical Industries
- The establishment of main roads, railways, and airports
- The establishment of hazardous wastes stations to treat and dispose it
- The establishment of industrial cities
- Extractive industries, and it includes deep drilling, drilling to explore water, and geothermal drilling, except the drilling in order to examine the stability of soil, digging and mining operations, and the extraction of natural resources.
- Energy producing industries
- Leather tanning factories
- Sugar and yeast factories
- Building sea harborages and ports
- Building docks, boats, and offshore platforms for industrial and recreational purposes
- Inter the sea in order to obtain a land for building industrial and recreational facilities
- Glass factories
- Establish slaughterhouses.

213 Environmental Impact Assessment Regulation No 37 of 2005

214 Article 8 of the Environmental Impact Assessment Regulation No 37 of 2005

b. To take the decision about the need to make a study of the environmental impact assessment for the following investments they should be given an initial evaluation:

- Agricultural projects, and it includes:
 1. Poultry farms if the capacity of it exceeded 30,000 birds
 2. Cattle farms if the capacity of it exceeded 50 cows
 3. Sheep farms if the capacity of it exceeded 1000 sheep
- Minerals processing investments, and it includes iron and steel works, and producing Non-ferrous metals
- Food industries, including the production of vegetable oil and animal fat and dairies, boxing and canning these products.
- Rubber manufacturing
- Infrastructure projects
- Any other investments such as, household waste landfill, scrap disposing landfill, gyms, and scrap storages.
- Any expansion on any of the above investments.

c. Investments that doesn't require a holistic or a preliminary evaluation for the environmental impact.

3. If the investment has been classified within the first category, the Ministry must notify the entrepreneur about the need of making a comprehensive environmental impact assessment of the project, he must also prepare a preliminary draft about the basic referential of the environmental impact study which he intends to do after making an agreement with the competent authority at the Ministry about the content of the draft, the study framework, the areas it will cover, and the nature of the expected environmental effects.²¹⁵
4. Afterwards the Ministry will invite the entrepreneur and anyone else who might get affected by the investment to participate in the process of studying the initial draft to identify the environmental impacts on them and on the Ministry. The entrepreneur must submit all the information he had about the investment, and the surrounding environment to the concerned authorities about the environmental impacts, before the date of the meeting.²¹⁶
5. Then the entrepreneur should submit a report to the Ministry including a summary of the meeting deliberations and those who participated in it, and identify the environmental impacts. Stating in its framework the basics of the environmental impact assessment study, and the names of the experts who will prepare the documents for the environmental impact assessment, in addition to the technical expertise required, then the competent authority in the Ministry will send the report to the technical committee.²¹⁷

215 Article 9 of the Environmental Impact Assessment Regulation No 37 of 2005

216 Article 9/C of the Environmental Impact Assessment Regulation No 37 of 2005

217 Article 9/D of the Environmental Impact Assessment Regulation No 37 of 2005

6. The technical committee will review the benchmarks during one week from the date of receiving the report, and this period can be extended according to an agreement with the entrepreneur, it will then give recommendations in this regard to the Minister to make an appropriate decision, noting that the entrepreneur must be notified of this decision.²¹⁸
7. If the Minister gave his approval on the benchmarks, the entrepreneur must prepare a draft document about the environmental impact assessment, and he will be responsible for the accuracy of its contents.
8. The technical committee must review the draft and analyze it, to make sure it's compliance with the provisions of the environmental impact assessment regulation, if it turned out that the application is complemented then it must be noted, otherwise the committee will command the entrepreneur to provide it with any necessary information to complete the study of the draft.²¹⁹
9. If the draft is complemented, the Minister upon the recommendations of the secretary general of the technical committee, will give his decision about it during forty five days from the date of receiving the draft, according to the following:²²⁰
 - a. Approving the draft, and considering it the final document to evaluate the environmental impact assessment, if it turned out that it has been fixed appropriately by the study, including the plan to decrease the impacts. This approval is valid for three years from the date of issue, and its renewal.
 - b. Dis-approving the draft, if it turned out that making the investment will affect the environment negatively, and the plan to decrease them is not sufficient.
 - c. If the Minister didn't give his decision about the draft during the specified period, the entrepreneur will have the approval anyway.
10. The announcement of the study decision will be done according to the way the Ministry choose.²²¹
11. If the investment has been classified and falls within the second category, the Ministry will ask for an initial environmental assessment of the project, taking in consideration the standards related to this category, so if the initial environmental assessment showed that the investment may cause any environmental impact, the Minister will ask for an environmental assessment study if it showed that it may not cause any impacts, the Minister will give his approval on the investment, and the Ministry will inform the entrepreneur of it.²²²
12. If the investment has been classified in the third category, the Ministry will inform the entrepreneur that his investment got the environmental approval.²²³

218 Article 9/E of the Environmental Impact Assessment Regulation No 37 of 2005

219 Article 11/A of the Environmental Impact Assessment Regulation No 37 of 2005

220 Article 11/B of the Environmental Impact Assessment Regulation No 37 of 2005

221 Article 11/D of the Environmental Impact Assessment Regulation No 37 of 2005

222 Article 13 of the Environmental Impact Assessment Regulation No 37 of 2005

223 Article 14 of the Environmental Impact Assessment Regulation No 37 of 2005

13. The Ministry shall have these fees when submitting the application:²²⁴

- a. JD25 for the investment that doesn't require a study of the environmental impact assessment.
 - b. JD50 for the investment that needs an initial study of the environmental impact assessment.
 - c. JD 750 for the investment that needs a wide study of the environmental impact assessment.
- The entrepreneur must make sure that air, soil or water are not causing any pollution that exceed the allowable limit in accordance with the approved technical base.
 - The entrepreneur must pay for the experts and the consultants who will review the study, and the Minister has the authority to decide the amount of the fees according to the Secretary General's recommendations.
 - Regarding solid waste management, all new institutions must have a waste management license from the Ministry of environment to get rid of the wastes.

The procedures of obtaining a waste management license:

- a. The application must be attached with the applicant and the operator ID in case they are two different people.
- b. Describe the kinds and the amount of waste.
- c. Describe the expected environmental impacts.
- d. Provide the expected or the actual capacity of the facility.
- e. Describe the facility or the location, including its environmental characteristics.
- f. Actual or suggested waste management methods.
- g. The methods to prevent or control pollution.
- h. Monitoring procedures and controlling plans.
- i. The suggested plan for closing and the following care procedures.
- j. The financial guarantee provided by the applicant, or what equals it from financial allocations.

It falls within the responsibility of the country of Jordan to manage solid waste when it comes to emergency procedures and the cleaning as protecting the environment, the health and life of plants and animals requires fast and instant action.

In order to prevent any environmental damages or impacts, the Ministry may take all the necessary procedures on the expense of the party that caused the illegal activity leading to such violations.

224 Article 20 of the Environmental Impact Assessment Regulation No 37 of 2005

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2. The Jordanian Law on the Formation of Regular Courts No 17 of 2001 and its amendments
3. The Jordanian Copyright Law No. 23 for the year 2014 and its amendment
4. The Jordanian Patents Law No.32 of 1999 and its amendments
5. The Jordanian Labor Law number 8 of 1996 and its amendments
6. The Jordanian Social Security Law No.1 of 2014
7. The Jordanian Income Tax Law No. (38) of 2018 and its amendments
8. The Jordanian Investment Law No.40 of 2014
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14. The Jordanian Law of Unfair Competition and Trade Secrets No. 15 of 2000
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4. Regulation No.44 of 2016 Income Tax Reduction in Less Developed Regions
5. Regulation No.81 of 2000 of the Registration Limit for General Sales Tax
6. Regulation No.17 of 2011 of Limited Liability Company's Capital Identification
7. Regulations No.105 of year 2007 of Offshore Companies
8. Regulation No 37 of 2005 of Environmental Impact Assessment
9. Regulation No.11 of 2016 Jordanian Licensing pharmaceutical factories and the fees charged from them

Instructions

1. Instructions for registering with the Department for income tax purposes No. 4 for the year 2015
2. Instructions of Dealing with Subscription Rights Issued pursuant to Articles (3/A), (3/B/9) and (12/Q) of the Securities Law No. (76) for the Year 2002
3. Decisions issued based on article 8/A of the Jordanian Investment Law No.30 of 2014
4. Decision Issued based on article 52 of the Jordanian Labor Law No. 8 of 1996

Guides

1. Licensing Guide of Jordan Investment Commission
2. Investment Window Licensing Guide
3. Licensing Manual of Jordan Investment Commission (JIC) Investment Window

Commissions

1. Jordan Securities Commission
2. Jordan Investment Commission



Talal Abu-Ghazaleh Global  TAG.Global

TAG.Global GA Building
46 Abdel Rahim Al-Waked Street,
Shmeisani, Amman, Jordan
P.O. Box: 921100 Amman 11192, Jordan
Tel: +962 6 5100 900
Fax: +962 6 5100 901
info@tag.global
tag.global