

Jordan

Investment Law (2014)

Unofficial translation

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The year indicated in brackets after the title of the law refers to the year of publication in the Official Gazette or, when this is not available, the year of adoption of the law.

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Investment Law

No. 30 for the Year 2014

Article 1

This Law shall be called as the “Investment Law of 2014” and shall be in effect as of being published in the Official Gazette.

Article 2

The following words and expressions, wherever mentioned in this Law, shall have the meanings hereunder assigned to them, unless the context otherwise indicates:

- Council: the Investment Council
- Commission: the Investment Commission
- Chairman: the Chairman of the Commission
- Technical Committee: Technical Committee formed pursuant to the provisions of this Law
- Investment Window: Investment Window established in the Commission pursuant to the provisions of this Law
- Economic Activity: Any industrial, agricultural, touristic, media, vocational or service activity including Information Technology.
- License: Any authorization, consent, permit, approval, permission or license issued by the official body to any person allowing him/her to engage in a specific economic activity
- Official entity: Competent authority for the issuance of the license
- Authorized Representative: The officer duly delegated by the Official Body to work at the Investment Window.
- Licensing Guide: The Guide prepared by the Commission pursuant to provisions of this Law which contains provisions, requirements, procedures and period for granting the License.
- Development Zone: Any area falling within the customs territory of the Kingdom to be declared as a Development Zone pursuant to the provisions of this Law
- Free Zone: Part of the Kingdom’s territories which are de-fined and fenced by a separating barrier designated for practice economic and commercial activities including the storage of commodities and shall be considered to be outside the customs range and the commodities and economic activities therein shall be treated for the purposes of implementation the provisions of this Law as outside the Kingdom.
- Master Developer: The Body that manages and develops any development area or free zone under provisions of this Law.

- Registered Enterprise: The person who is registered with the Commission to exercise economic activity in the development zones or Free Zones pursuant to the provisions of this Law

Article 3

The provisions of this Law shall not apply to Aqaba Special Economic Zone.

Chapter I. Incentives and advantages outside the development zones and free zones

Article 4

a) The provisions of this article shall not apply to the registered enterprises in the development zones and free zones.

b) By virtue of provisions of this Law, the Cabinet shall issue a regulation that contains the following tables including their implementation and amendment conditions and the provisions related to the Technical Committee stated in Article (6) of this Law.

1. Table No. (1/A) relating to the production inputs necessary for practicing 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 it pay a (9%) interest on any annual basis .

2. Table No. (1/B) relating to production inputs, and table- No. (1/C) relating to production requirements and fixed assets, and table No. (1/D) 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.

3. Table No. (2) relating to services which are subject to general sales tax in accordance with the provisions of the applicable General Sales Tax Law General Sales 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.

4. Table No. (3) in relating to 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:

1. Agriculture and livestock

2. Hospitals and specialized medical centers.
3. Hotels and tourist facilities
4. Entertainment and tourist recreation facilities.
5. call centers.
6. Scientific research centers and scientific laboratories.
7. Artistic and media production.
8. Conference and exhibition centers.
9. Transport and/or distribution and/or extraction of water, gas and oil derivatives by using pipelines.
10. Air transport, sea transport and railways.

Article 5

Notwithstanding what is stated in the applicable income Tax Law the income tax payable in the less developed regions of the Kingdom on the industrial, economic and vocational activities as well as the economic activities mentioned in sub-article (4) of para (b) of Article (4) of this Law shall be reduced not less than (30%) and provisions relating thereto shall be specified pursuant to a regulation issued for that purpose, specifying the following:

- a. The regions which enjoy income tax reduction and the category of each region in accordance with the level of economic development thereto.
- b. The economic activities that are excluded from benefiting from income tax reduction.
- c. The percentage of reduction enjoyed by the economic activity according to the region in which the activity is exercised.
- d. Basis, criteria and conditions of enjoyment of income tax reduction.
- e. Duration of enjoyment income tax reduction.
- f. Basis, criteria and proceedings of extending the duration of enjoyment of income tax reduction.

Article 6

In addition to what is stated in the provisions of para (b) of Article (4), the regulation shall include the following:

- a. Basis of formation of the Technical Committee and all matters related therewith as well as the standards to be observed.

b. Basis, by which the economic activities will benefit from the advantages and exemptions provided for under to Article (5), table (1/D) and table No. (3) set out in Article (4) of this Law, including the basis of enjoyment of exemptions once again in case of expanding, developing or modernization of the economic activity as well as the procedures to be followed by the Technical Committee with respect to the applications submitted by the economic activities.

Article 7

Should it be discovered that any of the commodities or services listed within the tables referred to under paragraph (b) of Article (4) of this Law, have been disposed of or used or benefited from ,for a purpose other than the one for which it was exempted from the fees and taxes or subjected due thereto to the general sales tax at the rate of (zero percent), or the paid tax was refunded , then the penalties stated for in the applicable legislations shall be imposed upon the violating economic activity.

Article 8

a) Upon recommendation of the Council, the Cabinet may, grant any additional advantages, exemptions or incentives to any economic activities, including small and medium enterprises, or any economic activities in a specific geographic area in the Kingdom, provided that the decision determine the conditions and procedures of their grant and to be published in the Official Gazette.

b) Upon recommendation of the Council, the Cabinet may, grant any advantages, exemptions or incentives for companies resulting from any merger within any economic activity provided that the decision should determine conditions and procedures of their grant and to be published in the official gazette.

Article 9

a) Subject to the provisions of this Law, economic activities that enjoy advantages, customs or tax exemptions pursuant to any legislations preceding investment legislation and any decisions issued according thereto that are in effect prior to the entry into force of this Law shall remain benefiting from such exemptions and advantages until the end of the duration for which such exemption was granted according to that legislation under the conditions provided thereof.

The economic activities which have enjoyed incentives connected to the income tax pursuant to previous legislations shall not benefit from the incentives and advantages provided under Article (5) of this Law. For this purpose, the Commission shall exercise the duties of the competent bodies and committees pursuant to such legislation.

b) -

1. If a project has obtained advantages and exemptions from income tax pursuant to previous legislations, and it has not yet commenced its actual work or actual production, then, as a condition for applying the provision of para (a) of this Article, it shall commence actual work or production within two years from the date of entry into force of this Law under the penalty of losing the right in such advantages and incentives.

2. The investor may transfer the ownership of the project which is subject to the provision of para (a) hereof to any other investor. Therefore, before completion of the necessary procedures for this purpose should notify the Commission in advance thereof. In this case, the project shall continue to benefit from the granted exemptions and advantages granted thereto with respect to the income tax until the expiry of its period and under the specified conditions pursuant to the previous legislations provided the new investor shall substitute the previous investor in the rights and obligations under the provisions of this Law.

Article 10

Subject to the provisions of any other legislation:

- a. Any Non-Jordanian person shall have the right to invest in the Kingdom through possession, partnership or sharing according to the basis and conditions set out pursuant to a regulation issued for this purpose provided that the economic activities and the percentage within which the non-Jordanian investor may participate or share.
- b. subject to the provisions of para (a) hereof the non-Jordanian investor shall be treated as the Jordanian investor.

Chapter II. Incentives and advantages within the Development and Free Zones

Article 11

- a) Notwithstanding the provisions of the Income Tax Law in force, the income tax shall be at the rate of (5%) of the income of the registered enterprise taxable income which is generated from its economic activity within the development zone.
- b) Notwithstanding the provisions of the Income Tax Law in force, the income tax shall be at the rate of (5%) of the income of the Registered Enterprise's taxable income which is generated from its economic activity in the industrial sector.
- c) Upon recommendation of the Council, the Cabinet, may exclude from the provisions of this article any of the development zones that has been originally an industrial city pursuant to the Jordan Industrial Estates Corporation Law No. (59) of 1985, and the Special Industrial Estates Establishment Regulation No. (117) of 2004.
- d) The registered enterprise shall benefit from any applicable tax exemptions in the Kingdom relating to exports of commodities and services outside the Kingdom.

e) The provisions stated under paragraphs (a and b) hereof shall not apply to income generated from banks and telecommunication companies which hold individual licenses, as well as the financial brokerage companies and financial companies including companies carrying on money exchange, financing, financial leasing business, consultation, financial and tax audit companies, all forms of transport (such as marine transport, railways, overland freight transport), insurance and reinsurance companies, basic mining and extraction industries, generation and distribution of electricity, transport and/or distribution and/or extraction of water, gas, and oil derivatives through the use of pipelines.

Article 12

a) The general sales tax provided for under the General Sales Tax Law on commodities and services which the registered enterprise purchases or imports for the purposes of exercising its economic activity within the development areas shall be reduced to (zero) percent the registered enterprise shall not be obliged to submit any guarantee to the Income and Sales Tax Department in this regard.

b) The suppliers of goods registered in accordance with the General Sales Tax Law in the Kingdom shall have the right to ask for refunding the previously paid general sales tax on the commodities sold to the registered enterprises in the development zone.

c) The commodities and services originated in the development zone and sold to the rest of the Kingdom's areas shall be subject to the general sales tax.

d) A 7% sales tax shall be collected from value of sale of services to be determined in accordance with the regulation issued for this purpose when being sold for consumption within the development zone.

e) The sales of commodities are subject to the special tax including vehicles, tobacco and by-products thereof, alcohol beverages, liquor and beer when being sold for consumption in the development zone shall be subject to the sales tax and custom duties that are charged in the Kingdom.

f) The commodities consumed within the development or free zones shall be subject to the general sales tax unless being consumed for the purpose of the registered enterprises exercise of its economic activities.

g) Notwithstanding what is stated in para (e) hereof, the forklifts and vehicles prepared for transport of ten persons and more including the driver and sold to the registered enterprise for the purpose of transporting workers from and to the Enterprise's facilities in the development or free zones shall be exempted from sales tax, and the basis of such exemption and conditions shall be organized pursuant to the regulation issued for this purpose.

h) The provisions, proceedings, basis of control and method of collection of sales tax and refunding it in the development zones provided for in this article shall be determined pursuant to the regulation issued for this purpose.

i) If it is found that part or whole of the commodities or services mentioned in this article were sold, assigned or disposed contrary to the provisions of this article, or used in other than the economic activity or in purposes other than those for which the exemption was granted, then the registered enterprise has to pay the realized taxes and fees in accordance with the provisions of legislations in force in addition to the fines stated for in such legislations.

j) The services performed by registered enterprises in the free zones shall be subject to sales tax at the ratio of (zero percent) upon selling them for consumption in the free zone.

Article 13

a) Subject to the provisions of Articles (11) and (12) of this Law, the registered enterprises which exercise economic activity in the development zone shall enjoy exemption of materials, equipment, machines, supplies, and building materials used in building, constructing, preparing and furnishing all types of projects established by the enterprises in the development zone, including spare parts required for continued maintenance thereof, and goods imported into the development zone for carrying on the economic activity or exported therefrom outside the Kingdom from customs duties excluding export fees, service fees and payable wages according to the legislations in force.

b) 1) Subject to the provisions of paragraph (e) of Article (12) of this Law, the commodities produced or manufactured in the development zones which fulfill the Jordanian origin conditions shall not be subject to customs duties other fees and taxes when placed for consumption in the local market.

2) Notwithstanding the provisions of clause (1) of this paragraph, the commodities produced or processed in the development zones which do not meet the Jordanian origin requirements, tobacco and its by-products, alcoholic beverages, liquors, beer and free zones products upon placing them for local consumption shall be subject to customs duties, fees and other taxes within the limits of the foreign costs and expenses in accordance with the provisions of the legislations in force.

c) The Cabinet shall issue a regulation comprising the conditions and proceedings for applying the provisions of this article, including the basis for calculating the foreign value and percentage of expenses and costs, method of calculating its fees and settlement thereof upon its clearance for the purpose of placing it for local consumption.

Article 14

The registered enterprise which carry on economic activity in the free zone shall enjoy the following:

- a. Exemption from income tax on profits generated from the following activities:
 1. Exporting of goods or services outside the Kingdom.
 2. Transit trade.
 3. sale and assignment of commodities within the boundaries of the free zones.

4. Providing and supplying the services within the free zone.
 - b. exemption from income tax on salaries and allowances of non-Jordanian employees working in the projects established in the free zone.
 - c. exemption from custom duty and all taxes and fees on goods exported from the free zone for none domestic market and on the goods imported to it including the materials, equipment, machines, supplies, building materials used in the building, constructing, preparing and furnishing all types of projects established by such enterprise in the free zone including the spare parts required for its continued maintenance, all taxes and payable fees.
 - d. Exemption of buildings and constructions constructed in the free zone from licensing fees , building and land taxes as well as paving , revenues, organization and improvement.
 - e. Permission to transfer the foreign currencies and generated profits from it the free zone in accordance with the provisions of legislations in force.
 - f. exporting machines, equipment, materials, commodities and supplies required to establish any project therein , operate or expand it as well as the profits generated from it outside the Kingdom in accordance with the provisions of legislations in force.

Chapter III. Investment window and licensing

Article 15

- a) Notwithstanding the provisions of any other legislation, an Investment Window shall be established in the Commission, aiming at providing one stop service for licensing the economic activities in the Kingdom; review the licensing and simplifying the procedures provided that the Commission establishes a system which enables providing services and responding electronically to investor queries .
- b) The Cabinet shall issue the necessary regulations and decisions for regulating the work of the Investment Window including identifying the economic sectors or activities covered by the services of this Window including the work of its staff.

Article 16

- a) The competent official bodies that are responsible for licensing the economic activities covered by the services of the Investment Window shall nominate its original and alternative representatives delegated to the Investment Window within fifteen days from the date of receiving a letter from the Commission in this regard.
- b) Notwithstanding what is provided in any other legislation, the Authorized Representative shall have the power to issue the license in accordance with the legislations in force which is applied by the official authority he/she represents, for this purpose, he/she shall exercise the authorities of the competent authority for the issuance of the license stated in such legislations as well as take the actions necessary in this regard.

c) Notwithstanding what is provided in any other legislation, the investor shall be granted through the Investment Window a three years profession license in accordance with the requirements stated in the legislations in force if he submits an application thereof provided that the established fees are collected .

Article 17

a) The Commission shall, within six months of the effective date of this law , prepare a licensing guide comprising the conditions, proceedings, requirements and legal periods for the issuance of the license in accordance with the legislations in force which applied by the official authorities in accordance with the adopted form in the Commission for this purpose, and provided that the guide is published on the Commission's website. The official authorities shall provide the Commission with the required data that is necessary for the preparation of the license guide within fifteen working days from the date of its receipt of a request from the Commission thereof.

b) The Commission shall present a draft licensing guide to the official bodies for review and provide its comments. If no comments are provided within thirty (30) days of receipt of the above draft guide, this shall be deemed as approval of its contents. The guide shall be the basic reference for the conditions, procedures, requirements and periods for the issuance of licenses for economic activities and the official bodies and their authorized representatives shall adhere to what is provided therein.

c) The Commission shall review the licensing guide annually and whenever the need arises and update its particulars in light of the amendments to governing ,legislation, provided that any amendment or update which occur therein be done by following the same procedure stated in this article in order to adopt them.

Article 18

a) The Authorized Representative undertakes to issue his decision regarding the license in accordance with the requirements, conditions, procedures, legal requirements and periods provided for in the Licensing Guide. In cases where no specific period is determined for issuance of a decision regarding the license in the Guide, then the period for the issue of same shall not exceed (30) working days from the date of completion of the legal requirements specified stated in the Licensing Guide.

b) In case where the issue of the license calls for referring the issue to any committee or party to undertake any inspection or any other action, and where the legislation in question does not determine the period of time for issuing its decision or recommendation, then such decision or recommendation must be issued during the period set out under para (a) .of this article.

c) If the authorized representative refuses to grant the license, then the refusal decision must be in writing and justified and he shall notify the license applicant of his decision within a period not exceeding three working days from the date of its issuance.

d) If the authorized representative refuses to grant the license, or in case the decision of the authorized representative is not issued within the time periods provided for under para (a) of this article, the license applicant may submit an objection to the Chairman within 60 days. Should the efforts to settle the issue of objection fall within fifteen days, then the Chairman shall refer the objection to the government committee formed pursuant to para (f) of this article.

e) 1) The Governmental committee should issue its decision within (30) days from the date of referring the objection to it and its decision shall be appealable before the Supreme Court of Justice. 2) The Authorized Representative should adhere with the decision of the governmental committee and implement the purport thereof. 3) The objection submitted by the license applicant shall cease forcibility of the legal period due to abetment of his right to contest the decision of the authorized representative stated in the legislations in force from the date of submission of the objection and for a period of (30) days.

f) The Cabinet shall form a permanent governmental committee to review the objections on granting licenses in accordance with the provisions of this Law pursuant to a regulation issued for this purpose.

Chapter IV. The council and the commission

Article 19

a) A Council called the (Investment Council) It shall be chaired by the Prime Minister and include the following members:

1. Minister of Industry, Trade and Supplies
2. Minister of Finance
3. Minister of Labor
4. Minister of Planning and International Cooperation
5. Chairman of the Investment Commission
6. Central Bank Governor.
7. Chairman of Jordan Chamber of Industry
8. Chairman of Jordan Chamber of Commerce
9. Four qualified and experienced representatives of the private sector to be appointed by a resolution of Cabinet upon recommendation of the Prime Minister for a two years term, renewable once and the membership of any one of them may be terminated by appointing a replacement for him for the remaining period of his membership in the same method.

b) The Council shall assume the following functions and authorities:

1. Submit recommendations to the Cabinet as to legislation drafts national strategies and policies related to investment.
2. Ratify the Commission's annual plans and make the necessary recommendations to it as well as appoint an audit and determine his fees.
3. Study the obstacles facing the economic activities, outline the remedial courses thereof and direct the Commission towards the appropriate mechanisms thereto.
4. Oversee and supervise the Commission's work and follow up the implementation of the relevant plans and programs related to investment.
5. Ratify the Commission's closing financial statements and present them to the Cabinet for ratification.

c) The Council shall convene at least once every three months, by an invitation from its Chairman or his Deputy in case of his absence. Its meeting shall be legal if attended by the majority of its members, provided that the Chairman or his Deputy is amongst them. The Council decisions shall be taken by majority of votes of its members and in the votes are equal, the side supported by the meeting Chairperson vote will prevail.

d) The Chairman of the Council shall appoint from the Council members, a deputy Chairman and the Secretary General of the Commission shall be the Secretary of the Council.

Article 20

a) A commission called the (Investment Commission) shall be formed. This commission will have a juridical personality and it is financially and administratively independent, and may, in this capacity, acquire movable and immovable and may carry out all legal acts necessary to achieve its objectives including conclusion of contracts, acceptance of aids, grants and donations. The Commission shall have the right to litigate and may be represented in legal proceedings by the Civil Attorney General or any Attorney-At-Law it appoints for this purpose

b) The headquarters of the Commission shall be in Amman, and it may establish branches within the Kingdom or outside.

c) Notwithstanding the provisions provided in any other legislation, the Commission shall report to the Prime Minister.

Article 21

a) The Commission aims to attract, encourage, promote domestic and foreign investment as well as ensuring sustainable attractive investment climate, activate economic movements; enhance confidence, develop and organize the investment environment as well as increase exports.

b) To achieve its goals, the Commission assume the following duties and powers:

1. Regulate and develop special provisions governing the development and free zones in the Kingdom and place them in the service of the national economy as well as monitor their application thereof.

2. Formulate plans and programs to stimulate, promote and implement domestic and foreign investments .
3. Identify investment opportunities in the Kingdom, provide information and data to investors, issue and prepare guides and special studies pertaining thereto.
4. Establish trade centers, representation offices, hold exhibitions, open markets and organize trade missions for the object of promoting national products as well as marketing, development of national exports and promote investment.
5. Take the appropriate decisions with respect to the requests from private and public institutions be they local or foreign for holding commercial and industrial exhibitions in the Kingdom and supervising them, provided the Chairman determine -in accordance with instructions issued for this purpose -the special the conditions, controls, and provisions in this regard.

Article 22

- a) The Commission shall be managed and supervised by a chairman to be appointed by the Cabinet upon recommendation of the Prime Minister. for a four year term, renewable once, and the resolution of his appointment shall determine his rights and all of his privileges as well as the method of termination of his service provided that the appointment decision be girded by the Royal Decree.
- b) A Secretary General of the Commission shall be appointed by a resolution of the Cabinet upon recommendation of the Chairman in accordance with the provisions of the Civil Service Bylaw.
- c) The Chairman shall represent the Commission before third parties.

Article 23

The Chairman shall take the following oath before the Prime Minister prior to assuming his duties:

"I swear by the Almighty God to be loyal to the King and Country; to respect the laws and regulations in force and perform the functions and duties entrusted to me with honesty and loyalty".

Article 24

- a) The Chairman shall assume all the authorities vested in the Commission pursuant to the provisions of this Law, including the following:
 1. Manage, follow up activities of the Commission and implement the decisions and recommendations of the Council.
 2. Prepare the Commission's draft annual budget to duly proceed in the proceedings of its approval.
 3. Prepare the draft legislations necessary for the Commission's work and present it to the Council.

4. Prepare the annual report, on the commission's activities and closing financial statements for the year ended and submit it to the Council for its approval.
5. Submit recommendation to the Cabinet for the expropriation of lands and property necessary for the Commission's activities in accordance with the provisions of the Expropriation Law.
6. Conclude contracts, agreements and memorandums of understanding with third parties.

b) The chairman may delegate any of his powers provided for in this law and the regulations and instructions issued pursuant thereto to the Commission's General Secretary and may also delegate any of such powers to any of the Commission's staff. The delegation must be in writing and specific.

Article 25

a) The Chairman , Secretary General, Directors and their spouses as well as their first-degree relatives are prohibited from having commercial interest with the master developer or the registered enterprise operating within the development or free zones during the period of their work in the Commission and for a period of two years after the termination thereof. Also, they are prohibited from selling and buying lands within the development or free zones.

b) The Chairman , Secretary General and directors are required to submit a written declaration upon their appointment and prior to assuming their duties asserting the none existence of any benefit to them or any business activity of what has been mentioned under para (a) of this Article under the penalty of legal accountability and termination of service of any of them from the Commission.

Article 26

a) The financial resources of the Commission consists of the following:

1. Annual amounts allocated to it in the general budget.
2. Fees, taxes, service charges, revenues and fines determined in accordance with the provisions of this Law and regulations issued pursuant thereto.
3. Aids, donations and grants received by it provided they are approved by the Cabinet if they are from a non-Jordanian source.
4. Any other revenues approved by the Cabinet.

b) The Commission shall have an independent budget and its activities shall be subject to the control of the Audit Bureau.

Article 27

a) The funds and rights of the Commission shall be considered as a public funds and are collected in accordance with the state-owned-funds collection law. For this purpose, the Chairman shall exercise the powers of the Administrative Governor or the State-Owned Collection Committee provided for under that Law.

b) The Commission shall enjoy all the exemptions and facilities granted to Governmental Ministries and Departments.

Chapter V. Regulatory Provisions for the development zones and free zones

Article 28

a) The Development Zone or Free Zone shall be established by a resolution of the Cabinet upon recommendation of the Council. The borders thereof shall be determined, adjusted or justifiably cancelled in the same method subject to keeping up the acquired rights in case of constraint or revocation and these decisions shall be published in the Official Gazette and the criteria, conditions, and required proceedings shall be determined by a Regulation issued for this purpose.

b) free zone established in accordance with the provisions of para (a) hereof may be within the development zone.

c) Any existing industrial facility within the free zone may apply for excluding it from the provisions of legislations, applied within the free zone provided it is subject to the provisions of the legislations applied in the Kingdom.

Article 29

a) Notwithstanding the provisions of any other legislation, any registered enterprise in the development zone and free zone may perform the economic activity for which it was licensed in accordance with the provisions of this Law and the regulations issued pursuant thereto, as well as the contract concluded with the main developer, excluding what has been prohibited or restricted in accordance with a regulation issued for this purpose.

b) The master developer - and the registered enterprise in the development zone and free zone shall enjoy all rights necessary for carrying on the economic activity, including:

1. Carry out all acts relating to the sale, purchase, lease, leasing out, managing and transfer of ownership of any land or facilities within the boundaries of the development zones and free zones in a manner complying with the provisions of this Law provided it does not contradict with the legislations regulating land ownership in the Kingdom.
2. All incentives and exemptions decided pursuant to the provisions of this Law and the regulations and instructions issued pursuant thereto, without the need to take any other action of any kind whatsoever so as to enjoy such facilities and exemptions.

3. Conclude contracts with employees and workers in accordance with the provisions of this Law as well as the regulations and instructions issued pursuant thereto.

Article 30

- a) The Import and Export Law in force shall be applied in the Development Zone; and for this purpose, the Chairman shall exercise the powers of the Minister provided for therein.
- b) The license granted pursuant to the provisions of this Law and the regulations issued pursuant thereto for exercising the economic activity in the development zone or free zone shall be considered profession license.
- c) Notwithstanding the provisions of this Law or in any other legislation, no restrictions on the percentage of the foreign capital shall be applied in the development zone or free zone.

Article 31

- a) The basis for granting residence to investors and members of their families and workers in the management of projects established therein shall be determined pursuant to a regulation issued for this purpose.
- b) Special basis , conditions and procedures relating to work and workers shall apply in the development zone and free zone that are determined pursuant to the regulation referred to under para (a) of this article, provided that the regulation should consider the percentage of working Jordanians and development of governorates.

Article 32

Upon establishment of the development zone or free zone according to the provisions of this Law, the lands owned by the public Treasury shall be transferred to the Commission.

Article 33

- a) The Commission may lease any lands registered in its name inside the Development Area or the Free Zone to the Main Developer of that area. However, the Commission may sell such lands to the Main Developer as per the development agreement approved by the Cabinet for the compensation determined by it.
- b) -
 1. Subject to provisions of Para (A) of this Article under no circumstances, the lands allocated for the public interest may not be sold to the Main Developer, and it shall develop such lands as specified in the development agreement for public benefit to the master developer who shall develop it as specified in the development agreement.

2. If the master developer fails to complete the development works in the development zone or the free zone, the Commission shall be entitled to ask the Main Developer to pay a fine of 5% of the market value of the lands that have not been developed for each year of delay according to timetable set out in the development agreement.

c) Subject to provisions of Para (A) of this Article the main developer may sell or lease the lands in the development zone or free Zone to the registered enterprise in that zone or to the official or public institution or parties that run public utilities or provide infrastructure services to the area provided that such a sale be made with the approval of the Cabinet upon recommendation of the Commission in the lands which was previously owned by the Commission and transferred to the main developer provided that it does not contradict with the legislation governing land ownership in the Kingdom.

d) Notwithstanding what is provided in any other legislation, the period of lease in the development zones and free zones with respect to contracts concluded between the Commission and the master developer and between the master developer and the registered enterprise up to (30) calendar years renew-able automatically for a similar period provided that the two parties may renew it up to an additional (30) years with the approval of the Cabinet.

e) Notwithstanding the provisions in any other legislation, the promise of sale contracts as to the lands all in the development zones shall be authenticated by the Land and Survey Department provided a charge of one per thousand of the value of such contracts be paid by the buyer.

Article 34

a) The master developer undertakes to complete the necessary licensing procedures as a registered enterprise in accordance with the provisions of this Law subsequent to declaring the development zone or free zone where the master developer carries out of all works of such area as well as its management, financing and development including the establishment of the required facilities and services for this purpose, management, development and maintenance including the roads, electricity, water, telecommunications and waste water.

b) Notwithstanding what is provided in any other legislation, the provisions and procedures for the commission's recovery of the public treasury's land whose ownership was transferred to the master developer as well as all other issues related to the master developer's recovery of lands whose ownership was transferred to the registered enterprise shall be regulated pursuant to a regulation issued for this purpose.

Article 35

a) The development zones and free zones existed prior to the enforceability of the provisions of this law shall be considered development or free zones that are established by virtue of its provisions, provided that their conditions to be rectified according to provisions of this Law.

b) The development companies which have commenced their business prior to the enforceability of the provisions of this law in the development zones or free zones provided for under para (a) hereof into force shall be considered a master developer for the intents of this Law provided their situations be rectified according to the provisions thereof without prejudice to their acquired rights.

c) All parties which have commenced their business prior to the enforceability of the provisions of this law into force within the boundaries of the development zones or free zones provided for under para (a) of this Article shall be considered registered enterprises pursuant to the provisions of this Law provided that their situations are rectified according to the provisions thereof without prejudice to their acquired rights.

d) All existing and licensed buildings and facilities according to the provisions of the Jordanian Industrial Estates Corporation Law No. (59) for the year 1985 shall be exempted from building and land taxes, licensing fees, asphaltting, planning and improvement revenues.

Article 36

Notwithstanding the provisions stated in any other legislation, the Commission shall exercise, within the boundaries of the development zone or the free zone, the following functions:

a. The Investment Council will exercise the authorities of the Higher Regulatory Council and form committees under the chairmanship of the Chairman of the Commission and the functions and authorities of the district and local committees.

b. The Commission shall exercise the authorities of the municipal council and other parties provided for in the legislations in force and the Chairman of the Commission shall also exercise the authorities of the head of municipal council.

c. preserve the environment, water resources, natural resources and biological diversity in line with the Environment Law, and the regulations and instructions issued pursuant thereto in coordination with the concerned parties.

d. Any other functions which the Cabinet deems to entrust thereto.

Article 37

a) The Commission may, with the approval of Cabinet assign any of its authorities provided for in this Law and the regulations and instructions pursuant thereto and linked to the development zones or free zones to any official party or a government wholly owned company, to perform them pursuant to its special legislations, provided that such is made according to the arrangements and proceedings decided by the Commission.

b) The Chairman may, with the Council's approval, entrust any of the functions provided for under this Law and linked to the management of the private affairs in a specific development zone or free zone as well as developing and organizing it to the master developer for such zone.

Article 38

The Commission shall assume all affairs and the powers related to the development zones and free zones including the following:

- a. Register the person who wishes to exercise the economic activity in the development zone in accordance with the provisions of this Law.
- b. Establish and register the person in the free zone to exercise the economic activity within the free zone or outside of Kingdom in accordance with the provisions of this Law and the regulation issued for this purpose.
- c. Issue all types of licenses and certificates related to the exercise of economic activities in the development and free zone in accordance with the provisions of this Law and the regulations and instructions issued pursuant thereto.
- d. Collect fees, taxes, revenues and fines levied in accordance with the provisions of this Law and the regulations issued pursuant thereto, or pursuant to the legislations in force in the development zones or free zones and determine the services consideration and method of collection thereof excluding customs duties and income and sales taxes.
- e. Expropriate the lands and real estates necessary for developing the development zones and free zones according to the provisions of the Expropriation Law.

Article 39

- a) For the purposes of implementing the provisions of this Law, the Chairman and the employee authorized in writing by the Commission according to the established authorities shall be considered a member of the judicial police. The authorized employee has the right to record any violation to the provisions of this Law and the regulations issued pursuant thereto and to inspect within the development zone or the free zone and may, for this purpose, enter into any place, examine the documents, review all documents, records and electronic data.
- b) Any employee in the Commission holding the capacity of a judicial police shall observe the internal regulations of the registered enterprise and its measures of safety and protection from sensitive materials or dealings upon entering into the registered enterprises for the purpose of conducting investigations in any violations committed contrary to the provisions of this Law and the regulations and instructions issued pursuant to it.

Article 40

- a) The Commission has the right to sell, destroy confiscate, take ownership of the materials and goods that are abandoned or left unclaimed in the development zone or free zone provided that the basis, rules and procedures related thereto be set out pursuant to instructions issued by the Commission and published in the official gazette.
- b) The Commission may assign the master developer to implement any of the provisions provided in para (a) of this article.

Chapter VI. General provisions

Article 41

a) The definition of "Foreign Capital" shall mean, for the purposes of this Law, any cash or in-kind funds or rights with financial value invested by a non-Jordanian in the Kingdom including:

1. The amounts transferred by him into Jordan.
2. The imported in-kind assets.
3. The corporate rights owned or licensed for his use in his economic activity.
4. The profits, revenues and reserves resulting from a foreign capital investment in his economic activity, and which are used to increase the capital, be invested in another economic activity, revenues of liquidation of his investment or sale of his economic activity interest, shares therein or disposal thereof.
5. The share in his economic activity resulting from the capitalization and exchange of debts due to the investor within the percentage specified in the regulations issued pursuant to the provisions of this law.

b) The non-Jordanian investor has the right to:

1. Take out all or part of the foreign capital in a convertible currency according to the legislations in force.
2. Transfer his generated revenues and profits of his investment to outside the Kingdom.
3. Liquidate his investment, sell his economic activity, his interest therein, his shares or dispose thereof provided he fulfills his obligations upon him to third parties or to the official authorities under the legislations in force.
4. Manage his economic activity in the manner he deems appropriate and by the persons he chooses and the concerned authorities should provide the necessary facilities for this purpose.

c) For the purposes of implementation the provisions of this Law, the non-Jordanian investor shall receive the same treatment of the Jordanian Investor.

d) The non-Jordanian workers in any economic activity may transfer their salaries and compensations outside the Kingdom according to the legislations in force.

Article 42

No economic activity may be expropriated nor be subjected to any procedures that lead to this end unless the expropriation is made for the prerequisites of the public interest provided an equitable compensation is paid to the investor by a convertible currency without delay.

Article 43

The investment disputes between the Governmental parties and the investor will be settled amicably within a maximum period of six months, otherwise the two parties to the dispute may resort to the Jordanian courts, settle disputes according to the Jordanian Arbitration Law or resort to alternative means for resolving disputes by mutual agreement of both parties.

Article 44

The provisions of this law shall prevail. when its conflict with any provision in the legislations in force.

Article 45

Without prejudice to any severer penalty provided for in any other legislation, whoever violates any of the provisions of this Law and the regulations issued pursuant thereto will be penalized by a minimum fine of (500) five hundred Dinars and not more than (10000) ten thousand Dinars, together with obligating the violator with compensation and removal of the damage arising from the violation. The Commission may remove the damages at the expense of the violator if he refrains from doing so.

Article 46

The Cabinet shall issue the necessary regulations for the implementation of the provisions of this Law.

Article 47

a) Subject to provisions of Para (h) of this Article the Investment Promotion Law No. 16 of 1995 and the regulations and instructions issued pursuant thereto shall be repealed, and for the purposes of this Law the term (Investment Promotion Law) where ever provided in any other legislation in force shall mean the (Investment Law).

b) Subject to provisions of Para (h) of this Article the Investment Law No. 68 of 2003 and the regulations and instructions issued pursuant thereto shall be repealed provided that the decisions issued pursuant thereto shall remain in effect until being cancelled, amended or replaced.

c) The development zones and free zones Law No. 2 of 2008 shall be repealed provided that the regulations, instructions and decisions issued pursuant thereto shall remain in effect until being cancelled, amended or replaced in accordance with provisions of this Law.

d) The provisional Investment Promotion Law No. 67 of 2003 shall be repealed.

e) The provisional Development of the Investment Environment and Economic Activities Law No. 71 of 2003 shall be repealed.

f) The texts of paragraphs,(e) and (f) and (g) of Article (5) of the Economic Projects Development Law No (33) of (2008) shall be repealed.

g) The text of item sub-clause (5) of para (b) of Article (4) and Article (5) of the Industry and Trade Law No. 18 of 1998 shall be repealed.

h) The provisions provided for in the Investment Promotion Law No. (16) of 1995, provisional Investment Law No. (68) of 2003 and the regulations and instructions issued pursuant thereto which pertain to the sectors, incentives, exemptions and the provided for in these legislations, including the provisions relating to the Investment Incentives Committee remain in effect until the Cabinet issues the regulation referred to in para (b) of Article (4) of this Law and published in the official gazette, provided the period for the issuance of the regulation may not exceed six months of the effective date of this Law, for this purpose, the Chairman will chair the Investment Incentive Committee.

Article 48

The Prime Minister and Ministers shall be responsible for the implementation of the provisions of this Law.

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