

## Jordan

### Investment Environment Law for the year 2022 (2022)

*Unofficial translation*

#### Note

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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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Final Provisions

Article (1): This Law shall be called (the Investment Environment Law for the year 2022) and shall come into effect after ninety days from the date of its publication in the Official Gazette.

Article (2): The following words and phrases wherever mentioned in this Law shall have the meanings hereunder assigned to them unless the context indicates otherwise:- The Ministry: The Ministry of Investment. The Minister: The Minister of Investment. The Council: The Investment Council formed pursuant to the provisions of this Law. The Investment: The establishment of an Economic Activity in the Kingdom, including ownership, partnership, development or expansion. The Economic Activity: Any industrial, commercial, agricultural, service, tourism, information technology or creative industry activity, and shall not include banking, money exchange or regulated professional activities as per special legislations. The Person: The natural or juridical person. The Investor: The Person who invests in the Kingdom in an Economic Activity in accordance with the provisions of the Law, whether he is a Jordanian or a non-Jordanian investor. The License: The permit, approval, permission or license issued by the Official Entity to any person allowing him to practice a specific Economic Activity. The Official Entity: any ministry, department, commission, council, Amman Municipality, municipality, authority or public official institution. 2 The Assets: the movable and immovable properties, whether tangible or intangible, that are invested in the Economic Activity. Incentives and Exemptions Committee: The Ministerial Committee for the incentives and exemptions formed pursuant to the provisions of Article (12) of this Law. Grievances Committee: The committee formed by a Minister's decision in accordance with the provisions of Article (44) of this Law. The Zone: The Development Zone and the Free Zone. The Development Zone: Any area within the perimeters of the customs territory of the Kingdom that is declared as a development zone in accordance with the provisions of this Law. The Free Zone: A part of the Kingdom's lands which is specified and fenced with a separating barrier designated for the purposes of carrying out the Economic Activities, including storage of goods, and is considered outside the customs territory, and the goods as well as the Economic Activities therein shall be treated as outside the Kingdom for the purposes of implementing the provisions of this Law. The Master Developer: The juridical person that carries out the management and develops the Zone in accordance with a Development Agreement and the provisions of this Law. The Registered Enterprise: The Person who is registered with the Ministry to carry out the Economic Activity in the Zone in accordance with the provisions of this Law. The Development Agreement: An agreement concluded between the Ministry and the Master Developer to manage and develop the Zone in accordance with the provisions of this Law and the regulations issued pursuant thereto. The Comprehensive Investment Service: the services provided for the Economic Activities by the Official Entity, including registration and licensing services from one location that includes the electronic platforms. The Investment Fund: The fund established in accordance with the provisions of this Law and the regulations issued pursuant thereto. The Mutual Investment Fund: The fund established in accordance with the provisions of the Securities Law

## Chapter One - The General Investment Policy and the Investors' Rights

Article (3): The general investment policy in the Kingdom is based on achieving economic and development visions that aims to provide job opportunities, increase economic growth, improve competitiveness and the business environment, and shall be based on the following principles: A- Equality between Jordanian and the non-Jordanian Investors in rights, privileges and obligations, and to treat all Investors in a fair, equitable and transparent manner. B- Protecting of Investments and not interfering in activities, rights and interests that are legally recognized for the Investor or the company in

intervening in activities, rights and interests that are legally recognized for the investor or the company in which the Investment was made. C- Shifting from the principles of prior control to post control, in accordance with the previously announced business practice requirements. D- Motivating and encouraging Investment in entrepreneurship and innovation projects as well as the research and development projects. E - Creating an appropriate environment for the development of small and medium enterprises. F- Digitalizing and automating of all procedures and services provided to Investors. G- Strengthening competition, preventing monopoly and ensuring consumer protection. H- Protecting the environment and encourage transition to a green economy, safety and public health, according to social standards.

Article (4): A- Investment Funds may be established to allocate funds for the purposes of investing in Economic Activities, and upon its establishment and registration, the Investment Fund shall have a juridical personality. B- The conditions for establishing and registering Investment Funds as well as the entities that may establish the same, and all other provisions related thereto shall be specified by virtue of a regulation.

Article (5): The Investor has the right to:- A- Invest in the Kingdom by possessing full ownership, or by partnership or shareholding in any Economic Activity, except for the Economic Activities that are restricted by virtue of a regulation. B- Convert the legally used currency in the Kingdom into a convertible currency. C- Transfer convertible currencies inside and outside the Kingdom without delay and in accordance with international financial practices and the applicable legislations. D- Claim compensation for the losses incurred on the Investor's reliance, in good faith, on any decision issued by the Official Entity towards him, or any obligation under which the said entity undertook upon itself towards the Investor, and the issuance of such decision or the undertaking of the said obligation was not within its competence, provided that the compensation is made in accordance with the provisions of paragraph (B) of Article (6) of this Law. E- Employ non-Jordanians in administrative and technical jobs that require specialized skills at a rate of no more than 25% of the total number of employees, and the said percentage may be increased to no more than 40% in the event that it is not possible to provide Jordanian labor-force for the said jobs. F- Liquidate or terminate the investment activities thereof. G- Any other rights granted to him by this Law and the legislations in force.

Article (6): A- It is not permissible to expropriate any investment or any part thereof except in accordance with the law and for a public, specific and legitimate purpose and in a non-discriminatory manner in return for paying a fair compensation to the Investor. B- When paying the compensation referred to in Paragraph (A) of this Article, the following shall be taken into consideration: 1- To be paid in one payment in Jordanian Dinars or in a convertible currency. 2- It must be equal to the fair market value of the relevant Assets before the decision to expropriate is made. 3- It should include an interest rate equivalent to the guaranteed overnight financing rate that is published daily by the Central Bank of Jordan.

## **Chapter Two - Ministry of Investment and Investment Council**

Article (7): A- The Ministry shall be the main reference authority for Investment in the Kingdom, and it shall aim to attract, encourage and promote Investment, ensure the sustainability of an attractive investment climate, and enhance confidence in, develop and organize the investment environment. B - To achieve its goals, the Ministry shall assume the following duties and authorities: 1- Implement the Kingdom's investment policy and setting the necessary strategic plans and programs to encourage local and foreign Investments, including Investment Funds and Mutual Investment Funds. 2- Prepare the Kingdom's investment map draft, which shall identify the available Investment opportunities according to sectors and governorates, including private sector partnership projects, in coordination and cooperation with the concerned authorities, provided that it is updated on regular basis. 3- Promote Investment opportunities available in the Kingdom, provide information and data to Investors and those who wish to invest, promote for major economic and Investment projects, and follow up the progress of implementation of the same. 4- Provide support services to the Investors, including post-investment services. 5- Facilitate the procedures, overcome the difficulties and remove obstacles faced by the Investors in order to start with and continue their Economic Activity. 6- Issue and update the guidelines for Investment and doing business in the Kingdom. 7- Prepare sectoral studies and preliminary feasibility studies for available Investment opportunities, and building a database in this regard. 8- Supervise the Development and Free Zones and regulate their work. 9- Follow up the Kingdom's classification and ranking in international investment reports and indicators, and work on developing and implementing the necessary plans to enhance the Kingdom's investment competitiveness. 10- Examine the grievance applications submitted by the Investors to verify the due process followed or the decisions issued by the Official Entity, and work to address the same in accordance with the legislations in force. 11- Prepare reports related to the implementation of plans, strategies and programs related to Investment. 12- Supervise the work of the Public-Private Partnership Unit.

Article (8): A- A council called (the Investment Council) shall be formed under the chairmanship of the Prime Minister and the membership of: 1- The Minister of Investment as vice-chairman. 2- The Minister of Planning and International Cooperation. 3- The Minister of Finance. 4- The Minister of Industry, Trade and Supply. 5- The Minister of Digital Economy and Entrepreneurship. 6- The Governor of the Central Bank of Jordan. 7- The Chairman of the Board of Directors of the Jordan Chamber of Commerce. 8- The Chairman of the Board of Directors of the Jordan Chamber of Industry. 9- Four representatives from the private sector, provided that a businesswoman is among them and three representatives from the sectors of agricultural, tourism and financial services. B- The members referred to in section (9) of Paragraph (A) of this Article shall be appointed by a resolution issued by the Council of Ministers upon the recommendation of the Prime Minister for a period of two years renewable once, and the membership of any of the said members may be terminated by appointing a replacement for the remainder of his/her membership in the same manner. C- The Council shall assume the following duties and authorities: 1- Approve the investment policy which includes the targeted priority sectors and projects, in line with the general policy of the Kingdom, the economic vision, and the economic and social executive plans and programs. 2- Approve the investment map of the Kingdom and follow up its updating. 3- Discuss the reports related to the implementation of plans, strategies and programs related to the Investment and provide guidance thereon. 4- Direct on taking all necessary steps to develop the Investment environment of the Kingdom. 5- Recommend necessary legislative and regulatory amendments to improve the investment environment. 6- Decide on disputes that may arise between the Official Entities in relation to the investment environment. 7- Any other matters relating to the Investment, except for the matters that fall under the capacity of the Ministry. D- The Council shall meet upon the invitation of its Chairman at least once every three months, and its meeting shall be considered legal upon the attendance of no less than the majority of its members, and it shall take its decisions by the majority of the votes of its members. E- The Council may invite experts and specialists as deemed appropriate by it in order to participate in its meetings to seek advice therefrom without having the right to vote on the decisions of the Council. 7 F- The Secretary General of the Ministry shall be the Secretary of the Council. G - The provisions and procedures related to the work of the Council shall be regulated by virtue of instructions issued by it for this purpose.

## **Chapter Three - Incentives Granted Outside the Development Zones and the Free Zones**

### **First: Basic Incentives**

Article (9): A- Notwithstanding the provisions of the Customs Law, the fixed assets, production requirements and inputs, and spare parts for the Economic Activity shall be exempt from customs duties. B-1- The Council of Ministers, upon the recommendation of the Incentives and Exemptions Committee, shall issue a schedule that includes the fixed assets, production requirements and inputs, and spare parts that are necessary for practicing the Economic Activity that are subject to zero-rate tax. -2- The Council of Ministers, upon a justified recommendation from the Incentives and Exemptions Committee, amend the schedule referred to in section (1) of this paragraph.

Article (10): Notwithstanding the provisions of the Income Tax Law, the due income tax shall be exempted or reduced by no less than (30%) on the Economic Activities in the least developed regions in the Kingdom or the projects that employ at least (250) Jordanians, and for a period of maximum (5) years from the date of actual operation, and the provisions relating thereto shall be determined by means of regulation that includes the following: - a- The Economic Activities that shall enjoy exemption from income tax. b- The Economic Activities that shall enjoy a reduction of income tax and the reduction rates for each of them. c- The standards, criteria, conditions and periods of enjoying the exemption or reduction of income tax. d- The Economic Activities excluded from the exemption or reduction from income tax. e- Specifying the least developed regions in the Kingdom for the purposes of enjoying the exemption or reduction from income tax upon carrying out the Economic Activity therein.

Article (11): If it is discovered that the goods and services that have been exempted from duties and taxes or that have benefited from any reduction in accordance with the provisions of Articles (9) and (10) of this Law have been sold, transferred, disposed of, or used in an activity other than the Economic Activity or for purposes other than those for which the exemption was granted, in this event due taxes and fees must be paid in accordance with the provisions of the legislations in force, in addition to the fines stipulated in the said legislations.

### **Second: Additional Incentives**

Article (12): A- The Council of Ministers shall form among its members a committee called (Incentives and Exemptions Committee), provided that it includes among its members the Minister, the Minister of Planning and International Cooperation, the Minister of Industry, Trade and Supply, and the Minister of Finance, provided that the formation decision includes naming its Chairman and the rest of the members. B- The Chairman of the Incentives and Exemptions Committee or any of its members are

prohibited from participating in making any decision related to an economic activity, an Investment Fund, or a Mutual Investment Fund under which he or his spouses, descendants or relatives up to the second degree may benefit directly or indirectly therefrom, and each of them must disclose any benefits that may accrue to any of them subject to legal liability.

Article (13): A- Notwithstanding the provisions stated in any other legislation, the Council of Ministers may, upon the recommendation of the Incentives and Exemptions Committee, adopt any incentives, benefits or exemptions for the Economic Activities in any region of the Kingdom, including the following:

1- Exemptions and incentives relating to the price of sale or rent for lands owned by the public treasury for the purpose of establishing the Economic Activities. 2- Subsidizing energy and water costs and supporting renewable energy projects. 3- Allowing investors to deduct costs of constructing the infrastructure services that they have delivered to the Economic Activity from due amounts in case the project is operated within a certain period of time. 4- Granting tax or customs exemptions or reductions in return for employing a minimum number of Jordanian labor-force. 9 B- In granting the incentives, exemptions and benefits referred to in Paragraph (A) of this Article, the following criteria shall be taken into consideration in a manner that does not affect fair competition: 1- Employing at least 350 Jordanians. 2- Employing female Jordanian employees with no less than 50% of the total labor-force, provided that the number shall not be less than (50) female Jordanian employees. 3- The Economic Activities targeting export markets with a percentage of not less than 50%. 4- Activities with local added value, at a rate of not less than 50%. 5- Activities targeting the transfer of knowledge, technology and digital transformation. 6- Strategic Economic Activities. 7- Activities listed under the partnership projects between the public and private sectors. 8- Activities targeting the parties and areas of poverty, and the development of and servicing the local community. C- The standards and criteria for eligibility, periods, and procedures for granting incentives, exemptions and benefits referred to in Paragraph (A) of this Article shall be specified by means of a regulation to be issued in accordance with the provisions of this Law. D- The Incentives and Exemptions Committee shall review any double taxation in respect of the Investment Funds or the Mutual Investment Funds for direct or indirect investment and shall address the said double taxation by collecting the income tax on the shares or the shareholders of the fund in respect of the juridical persons according to their activity, provided that the said procedure shall apply to the subsequent fiscal years and the matter shall be referred to the Council of Ministers to take the appropriate decision in this regard. E- The Incentives and Exemptions Committee shall issue its decisions by the majority of its members within a period not exceeding (15) working days from the date of submitting the application that fulfills the required conditions. F- The Ministry shall assume the secretariat of the Incentives and Exemptions Committee and shall organize all related affairs thereto and its meetings in accordance with instructions to be issued by it for this purpose

Article (14): A- Notwithstanding the provisions stated in any other legislation, the Council of Ministers, upon the recommendation of the Incentives and Exemptions Committee, may grant single approval to establish a project for an investor if this project constitutes a strategic economic activity that contributes in achieving sustainable development. B- The approval issued pursuant to Paragraph (A) of this Article shall be considered a replacement for any license, permit or permission required by any legislation. C- The approval granted pursuant to Paragraph (A) of this Article to establish the project shall not be assigned, or transfer the ownership of the project or leasing the same to third parties except with the approval of the Council of Ministers based on the recommendation of the Incentives and Exemptions Committee. D - The conditions and procedures for obtaining the single approval shall be organized pursuant to a regulation.

Article (15): A- If the legislative or regulatory provisions have been amended or changed and the said amendment or change resulted in a negative impact on the Investor whose Investments in one project amount to five million Dinars or more, or the said investor has employed two hundred and fifty Jordanians or more, then he has the right to request that the aforesaid provisions shall not apply against him for a period of seven years from the date of fulfilling any of the two said conditions. B- For the purposes of implementing the provisions of Paragraph (A) of this Article, the Investor must send a written notification to the Ministry within a period not exceeding six months from the date in which the legislative or regulatory amendment or change has taken place including the following: 1- The content of the legislative or regulatory amendment or change and the negative impact it had or will have on the Investor as a result thereof. 2- Attach the documents that prove that he fulfilled the conditions mentioned in Paragraph (A) of this Article. 3- A request not to apply the provisions of the legislative or regulatory amendment or change. C- The Ministry shall, within (20) working days from the date of receiving the notification referred to in Paragraph (B) of this Article, study the request and make its recommendation to the Council of Ministers in order to take the appropriate decision. D- The Council of Ministers may take a decision not to apply the legislative or regulatory amendment or change or any of them on the Investor. E- The Ministry shall inform the Investor and the concerned Official Entity of the decision of the Council of Ministers

Article (16): Without prejudice to any benefits, exemptions or incentives granted by this chapter to the

Article (16): without prejudice to any benefits, exemptions or incentives granted by this Chapter to the Economic Activity, the economic activities that enjoy customs or tax exemptions or financial incentives under the Investment Law No. (30) for the year 2014 and any regulations, instructions or decisions issued pursuant thereto shall continue benefiting from the said exemptions and benefits until the end of the exemption period granted thereto under the aforesaid legislations and with the same conditions stipulated therein, or for seven years from the date in which the provisions of this Law came into effect in respect of the exemptions that have no specific period.

Article (17): A- The Investor, his family, and the employees of the senior management working therewith shall be granted (Investor Identification Card) to simplify and facilitate the Investor's procedures before the Official Entities and to facilitate the entry and exit of the holder thereof to and from the Kingdom. B- The standards, classifications and conditions for obtaining the Investor Identification Card shall be regulated by virtue of instructions.

## **Chapter Four - The Development Zones and the Free Zones**

Article (18) : A- 1- The Zone shall be established by a decision of the Council of Ministers, upon the recommendation of the Minister, and its borders shall be determined, amended or canceled in the same manner, provided that the acquired rights shall be preserved in case of amendment or cancellation, and the standards, conditions, and procedures required in this regard shall be specified by means of a regulation. -2- The decisions referred to in section (1) of this Paragraph shall be published in the Official Gazette. B - The Free Zone established in accordance with the provisions of Paragraph (A) of this Article may be within the Development Zone.

Article (19): 12 A – Upon the establishment of the Zone in accordance with the provisions of this Chapter, the ownership of the lands within it shall be transferred from the public treasury to the Ministry and shall be registered in its name. B- The Ministry may lease or sell any of the lands registered in its name within the Zone to the Master Developer of the said Zone, in accordance with the Development Agreement that is approved by the Council of Ministers and the amount specified by it. C - Notwithstanding the provision stated in Paragraph (B) of this Article, it is not permissible to sell the lands allocated for public interest and the lands of the sea receding to the Master Developer and he shall develop the same in accordance with terms specified in the Development Agreement. D- Without prejudice to Article (22) of this Law, if the Master Developer fails to complete the development works in the Zone, the Ministry shall claim for a fine of two percent (2%) of the market value of the lands that have not been developed for each year of delay beyond the time schedule specified in the Development Agreement. E- Without prejudice to Paragraph (C) of this Article, the Master Developer may lease or sell the lands in the Zone to the Registered Enterprise in the said Zone, or to the official public institutions, the public institutions, or entities that manage public facilities or provide infrastructure services to the Zone, provided that the sale shall be made upon the approval of the Council of Ministers upon the recommendation of the Minister, with respect to the lands that were owned by the Ministry and transferred to the Master Developer. F- Notwithstanding the provisions stated in any other legislation: 1- The term of the lease in the Zone regarding contracts concluded between the Ministry and the Master Developer and between the Master Developer and the Registered Enterprise shall be thirty years, renewable for a similar period by agreement of the two parties, and both parties have the right to renew it for an additional thirty years with the approval of the Council of Ministers. 2- The promise of sale of land contracts in the Zone shall be registered with the Department of Lands and Surveys, provided that a fee equal to one per thousand of the value of the said contracts shall be paid by the purchaser.

Article (20): A- The Master Developer shall carry out the management and development of the Zone in accordance with the terms, conditions, and standards stipulated in this Chapter, the regulations issued for the implementation thereof, and the Development Agreement. 13 B- The Master Developer shall develop, operate and manage the Zone, whether directly by himself or through third parties, and for this purpose he shall be committed to the following:- 1- Securing the necessary funding for the development, management and maintenance of the Zone. 2- Establishing and maintaining the basic infrastructure within the Zone, including roads, electricity, water, communications and sanitation, in accordance with the Development Agreement. 3- Construct buildings, carry out improvements, maintenance and necessary security and protection measures in accordance with the Development Agreement. 4- Marketing and promoting of the Zone. 5- Providing environmental requirements and conditions and waste collection and disposal services. 6- Monitoring the construction works and informing the Ministry to take the necessary procedures in case of violation. 7- Any other matters necessary for the development of the Zone.

Article (21): The Master Developer shall be obliged to complete the necessary procedures to register as a Registered Enterprise in the Zone in accordance with the provisions of this Chapter and the regulations issued for the implementation thereof.

Article (22): A- Notwithstanding the provisions of any other legislation, if the Master Developer or the Registered Enterprise violates the provisions of this Chapter and the regulations issued for the implementation thereof and related agreements: 1- The Ministry, with the approval of the Council of

implementation thereof and related agreements. 1- The Ministry, with the approval of the Council of Ministers, may retrieve its lands whose ownership has been transferred to the Master Developer in whole or part. 2- The Master Developer, with the approval of the Council of Ministers, may retrieve his lands whose ownership has been transferred to the Registered Enterprise, in whole or in part. B- The provisions, procedures and events of retrieving the lands referred to in Paragraph (A) of this Article shall be organized by a regulation.

Article (23): A- Notwithstanding the provisions stated in any other legislation, the Minister shall form the committees in the Zone that exercise the authorities of the Higher Planning Council and the authorities of the Local and Regional Committees, provided that the committee that exercises the authorities of the Higher Planning Council shall be chaired by the Minister. B- The Ministry shall exercise within the boundaries of the Zone the following duties and authorities: 1- The authorities of the Municipal Council and other bodies stipulated in the legislations in force, and the Minister shall carry out the authorities of the Chairman of the Municipal Council. 2- Organizing the Zone in accordance with the provisions of this Chapter and the regulations issued for the implementation thereof, and granting the necessary regulatory and professional licenses to those wishing to engage in an Economic Activity therein. 3- Establishing and registering the Person in the Free Zone to carry out the Economic Activity inside and outside the Kingdom according to a regulation. 4- Registering the Registered Enterprise, renewing, suspending and canceling the registration of the said enterprise in accordance with a regulation. 5- Selling, confiscating, destroying or acquiring the materials and products that have been abandoned or left unclaimed in the Zone in accordance with the standards and procedures determined by means of instructions. 6- Protecting the environment, water sources, natural resources and biodiversity in line with the legislations in force. 7- Expropriating the lands and real estate necessary for the development of the Zone in accordance with the provisions of the Real Estate Ownership Law. 8- Monitoring the implementation of the Zone's development. 9- Collecting the fees, revenues and fines determined by the regulations issued to implement the provisions of this Chapter or in pursuance of legislations in force in the Zone, and determine the service fees and the method of its collection. C- The Ministry shall have the right to grant access to public services in coordination with the providers of the said services and the Master Developer.

Article (24): The Ministry, with the approval of the Council of Ministers, and in accordance with the procedures and requirements determined by it, may assign any of its duties and authorities related to the Zone to any official entity or company wholly owned by the Government or to the Master Developer of that Zone

Article (25): A- Notwithstanding the provisions stated in any other legislation, any Registered Enterprise in the Zone may practice the Economic Activity for which it has been licensed in accordance with the provisions of this Chapter and the regulations issued for the implementation thereof and the Development Agreement, with exception of the matters prohibited or restricted from being practiced in the Zone by virtue of a regulation. B- The Master Developer and the Registered Enterprise in the Zone shall enjoy all the rights necessary to carry out the Economic Activity, including:- 1- Carry out all acts related to selling, purchasing, renting, leasing, managing and transferring the title of any land or constructions within the boundaries of the Zone, in accordance with the provisions of this Chapter, provided that it does not contradict with the legislations governing the lands ownership in the Kingdom. 2- All types of facilities and exemptions determined under the provisions of this Chapter and the regulations and instructions issued for the implementation thereof. 3- Contracting with workers and employees in accordance with the regulations and instructions issued to implement the provisions of this Chapter. 4- Entering into contracts for the management of real estate located within the Zone. 5- Any other rights and benefits granted by this Chapter and the regulations issued for implementation thereof or any other law for the Registered Enterprise.

Article (26): Notwithstanding the provisions stated in any other legislation, the License granted to practice the Economic Activity in the Zone in accordance with the provisions of this Chapter and the regulations and instructions issued for the implementation thereof shall be considered as a vocational license.

Article (27): A- Notwithstanding the provisions stated in any other legislation, no restrictions relating to the percentage of foreign capital shall be applied in the Zone. B- The Importation and Exportation Law shall be applied in the Development Zone, and for this purpose the Minister shall carry out the authorities of the Minister of Industry, Trade and Supply stipulated in the aforesaid law.

Article (28): 16 The standards for granting residency to the Investors in the Registered Enterprise, its managers, employees working therein and their family members shall be determined according to a regulation that should consider the percentage of Jordanians' employment and the development of governorates.

Article (29): A- A sales tax of (7%) of the value of the sale or supply of services that are determined in a regulation shall be collected when the said services are sold or supplied for consumption in the Development Zone. B- Notwithstanding the provisions stated in the Income Tax Law, the tax rates

specified in the Income Tax Law for Registered Enterprises in the Development Zone shall not apply on the income earned by banks, telecommunications companies that hold individual licenses, financial intermediary companies, and financial companies, including companies that engage in money exchange, financing, or financial leasing, and consulting and financial and taxation auditing companies, transportation companies of all types and land transport of products, insurance and reinsurance companies, basic mining and extractive industries, electricity generation and distribution, and transmission and/or distribution and/or extraction of water, gas and oil derivatives by using pipelines. C- The Registered Enterprise in the Zone shall benefit from any tax exemptions in force in the Kingdom related to exports of services outside the Kingdom.

Article (30): A-1- The goods and services that are purchased or imported by the Registered Enterprise for the purposes of carrying out its Economic Activity within the Development Zone shall be subject to general sales tax at zero-rate. 2- The goods and services that originated in the Development Zone and that are sold to the rest of the Kingdom's regions shall be subject to the General Sales Tax. 3- The sales of goods that are subject to special tax when sold for consumption in the Development Zone shall be subject to the sales tax and customs duties that are collected in the Kingdom. 4- The provisions, procedures, standards pertaining to monitoring and method of collecting the sales tax in the Development Zone stipulated in this Article shall be specified in accordance with a regulation. 5- The Goods consumed within the Zone shall be subject to the general sales tax and customs duties unless the consumption thereof was for the purposes of practicing the Registered Enterprise of its Economic Activity. 6- Notwithstanding the provisions stated in Clause (3) of this Paragraph, handling machines and transportation vehicles that are used to transport ten or more persons, including the driver, and sold to the Registered Enterprise for the purposes of transporting the employees to and from the work premises of the said enterprise in the Zone shall be exempted from sales tax. The said exemption, its conditions and depreciation shall be organized by a regulation. 7- If it is discovered that all or some of the goods or services mentioned in this paragraph have been sold, transferred, or disposed of contrary to the provisions stated herein, or used in other than the Economic Activity or for purposes other than those to which the exemption was granted, then the Registered Enterprise shall pay the taxes, fees, and fines due in accordance with the provisions of the legislations in force. B- The Registered Enterprise that carries out an economic activity in the Development Zone shall enjoy exemption of the materials, equipment, machines, supplies and construction materials used in building, constructing, equipping and furnishing all types of projects that are established by it in the Development Zone, including spare parts needed for its ongoing maintenance and imported goods to the Development Zone to practice the Economic Activity or the ones exported by it outside the Kingdom from customs duties with the exception of export duties and service charges and wages due in accordance with the legislations in force. C-1- The goods produced or manufactured in the Development Zone that fulfill the conditions of Jordanian origin shall not be subject to customs duties and other fees and taxes when placed for consumption in the local market. 2- Notwithstanding the provisions stated in Clause (1) of this paragraph, the goods produced or manufactured in the Development Zone that do not fulfill the conditions of Jordanian origin, as well as tobacco and its products, alcoholic beverages, intoxicants, beer and the Free Zone products, when placed for local consumption, shall be subject to customs duties and other fees and taxes due within the limits of foreign expenditures and costs in accordance with the provisions of the legislations in force. D- The conditions and procedures pertaining to the application of the provisions of this Article, including the standards for calculating the value and percentage and the costs of the foreign expenditures, as well as the method of calculating the fees in respect thereto and paying the same upon clearance for the purposes of placing them for local consumption shall be specified by a regulation.

Article (31): The Registered Enterprise that carries out an economic activity in the Free Zone shall enjoy the following: 18 A- Exemption from income tax on profits derived from the following:- 1- Exporting the services outside the Kingdom. 2- Transit trade. 3- The sale or transfer of goods within the boundaries of the Free Zone. 4- Providing and supplying services within the Free Zone. B- Exemption from income tax on the salaries and allowances of non-Jordanian employees working in the projects established in the Free Zone. C- Exemption from customs duties and all other taxes and fees imposed on the goods exported from the Free Zone to other than the local market and on imported materials used in building, constructing, equipping and furnishing all types of projects that are established by the Registered Enterprise in the Free Zone, including equipment, machines, fixtures, building materials and materials necessary for the infrastructure and spare parts needed for its ongoing maintenance, and the said exemption does not include the service charges and fees associated with the international trade protection measures applied by the Kingdom. D- Exempting the services performed by a registered enterprise in the Free Zone from the general sales tax when sold for consumption in the Free Zone. E - Allowing the Registered Enterprise to transfer the foreign currencies and profits in accordance with the provisions of the legislations in force. F- Taking out the machines, equipment, materials, goods and appliances necessary for the establishment, operation or expansion of any project in the Free Zone and



the profits arising therefrom outside the Kingdom in accordance with the provisions of the legislations in force.

Article (32): The buildings and constructions erected in the Zone shall be exempted from the paving, zoning, improvement, licensing fees, and from buildings and lands taxes, without prejudice to acquired rights.

Article (33): A- The provisions of articles relating to the benefits and incentives within the Development Zones mentioned in this Law shall be applied to Petra Development and Tourism Region. 19 B- 50% of the revenues earned by the Petra Tourism Development Region Authority shall be allocated to the said authority in accordance with the provisions of this Law.

Article (34): A- The Ministry's employees authorized in writing by the Minister for the purposes of carrying out their duties shall have the capacity of a judicial police within the limits of their jurisdiction in accordance with the provisions established in the Criminal Procedure Law. The authorized employees have the right to record any violation to the provisions of this Chapter and the regulations issued for the implementation thereof and to inspect within the Zone, and for this purpose they have the right to enter any place and check documents and view all documents, records and electronic data. B- The employees referred to in Paragraph (A) of this Article shall, upon entering the Registered Enterprise, respect its internal bylaws and procedures of safety and protection of sensitive materials and transactions.

## **Chapter Five - Registration and Licensing of the Economic Activities**

Article (35): A- Companies and sole proprietorship shall be registered in accordance with the provisions of the relevant legislations. B - The registration of any company or sole proprietorship shall not require obtaining a prior approval from any other entity, unless any legislation stipulates otherwise.

Article (36): A general registry for the Economic Activities registered and licensed in the Kingdom shall be established, the provisions thereof shall be organized by a regulation, provided that the entity responsible for supervising this registry shall be determined therein.

Article (37): A- Notwithstanding the provisions stated in any other legislation, the Ministry shall provide the Comprehensive Investment Service for licensing the Economic Activities, through a joint electronic platform with the competent authorities responsible for the registration and licensing, and this does not prevent the application being submitted in person at the Ministry. B- The relevant Official Entities shall complete the transactions related to the Comprehensive Investment Service within a period not exceeding (15) working days from the date of receiving the application that meets the requirements. In the event that the Official Entity is late in providing its response before the end of the said period, this shall be considered an automatic approval to complete the transaction. C- The Official Entity shall be prohibited from requesting the Investor to submit any valid document issued by another Official Entity if an electronic access is available between the two said entities. D- The relevant Official Entities shall nominate one or more authorized persons to follow up and facilitate the Investor's transactions within a period not exceeding ten working days from the date of receiving a letter from the Ministry in this regard. 21 E- Notwithstanding the provisions stated in any other legislation, the authorized representative referred to in paragraph (d) of this Article shall have the power to issue the required approvals in accordance with the legislations applied by the Official Entity that he represents. F- The operation of the Comprehensive Investment Service of the Ministry, the Economic Activities that are covered under the said services, as well as the conditions and qualifications that the authorized delegates of the Official Entities should met and all other matters related thereto, including disciplinary penalties in the event of their breach of their responsibilities under the Law shall be regulated by a regulation.

Article (38): No Official Entity may impose requirements for obtaining the License unless it is expressly authorized to do so by virtue of the legislations in force.

Article (39): The decision issued to grant or refuse the License shall not result in any of the following: a- Restricting competition. b- Supporting or protecting a monopoly or a dominant position for one person or more. c- Restricting the freedom of the Economic Activity.

Article (40): Without prejudice to Article (43) of this Law, the Official Entity is obligated to the following:

A- Specifying all the requirements of the License, and publishing the same in a clear manner that is easily accessible, and shall provide the Ministry with a copy of the same. No other requirements may be imposed contrary to the provisions of this Law. B- Classifying the Licenses and specifying the requirements and conditions for each of them, including the Licenses that are granted upon the submission of the application and that will be subsequently checked by the Official Entity. C – Specifying the period required for granting the License and its procedures. In the event that the period is not specified, the period for granting the License should not exceed (15) working days from the date of completing the legal requirements for granting the License. D- Taking its decision to grant or refuse the License within the specified period, provided that its refusal decision shall be justified. E –

the License within the specified period, provided that its refusal decision shall be justified. E- Determining the validity period of the License in accordance with its legislation, and its validity period may be for one year or more upon the request of the concerned person, provided that the fees imposed thereon are collected.

Article (41): The Official Entity, before canceling, withdrawing or suspending any License, shall abide by the following: A- Notifying the holder of the License in writing with the violation of the terms of the License. B - Granting the holder of the License a period of time to rectify the violation or provide evidence that he did not commit it. C- Notifying the Ministry in the event that the License relates to the Economic Activities included under the Comprehensive Investment Service.

Article (42): A- The Ministry shall, within three months from the effective date of this Law, prepare a licensing guidelines that include the conditions, procedures, requirements and legal periods for issuing the License in accordance with the legislations in force applied by the Official Entities, in accordance with the form adopted by the Ministry for this purpose, provided that it is published on the Ministry's website, and the Official Entities shall provide the Ministry with data it requests that is necessary to prepare the licensing guidelines within (15) working days from the date of receiving a request from the Ministry in this regard. B- The Ministry shall present the draft licensing guidelines to the Official Entities for their review and comments, and in the event that no Official Entity provides the Ministry with its comments within (20) working days from the date of receiving the draft of the said guidelines, the same shall be considered as an approval by them on the provisions stated therein. C- The Ministry shall, on annual basis or whenever it is necessary, review the licensing guidelines and update its data in light of the amendments that occur to the legislations in force, provided that any update or amendment to the licensing guidelines shall follow the same procedures set out in this article for the purposes of its approval

Article (43): The Official Entities that grant licenses shall observe the provisions of this Chapter in connection with all requirements, conditions and procedures related to the granting of licenses and harmonizing their legislations in a manner to comply with the provisions of the said chapter within a period of six months from the effective date of the provisions of this Law

## Final Provisions

Article (44): A- Upon a decision issued by the Minister, one or more grievance committees shall be formed in the Ministry under the Chairmanship of the Secretary General of the Ministry. B - The committee shall examine the grievance applications submitted by Investors to verify the due process followed or the decisions issued by the Official Entity. C- The matters related to the work of the committee, the number of its members, the legal quorum for its meetings, the process of taking its decisions, the necessary periods of time, as well as all other provisions and procedures related to the grievance, shall be organized by means of a regulation. D- In the event that the Official Entity does not comply with the recommendation of the committee, the Minister shall report the recommendation to the Council.

Article (45): A- The disputes arising from the investment contracts between the Official Entity and the Investor may be settled through arbitration in accordance with the rules agreed upon between them. In case of existence of arbitration agreement without specifying the rules, the Investor may choose to apply any of the following rules: 1- The Jordanian Arbitration Law. 2- The United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules. 3- The International Chamber of Commerce arbitration rules. B- The place of arbitration shall be the Kingdom in the city of Amman, unless the contract stipulates otherwise. C- If an arbitration award is issued by a foreign or international arbitration tribunal in accordance with the provisions of this article, it shall be enforced in accordance with the Foreign Judgments Enforcement Law and the relevant treaties in force in the Kingdom.

Article (46): The court or the arbitral tribunal shall apply on the disputes arising from the investment contracts the governing law agreed upon between the parties, and in case of the absence of such an agreement, the Jordanian law shall be applied, with the exception of the rules of private international law.

Article (47): A- Establishment of trade centers, holding exhibitions, opening of markets inside and outside the Kingdom, and organization of trade missions to promote and market national products shall be carried out by the Ministry of Industry, Trade and Supply. B- Requests made by the local and foreign private and public institutions to hold trade and industrial exhibitions in the Kingdom shall be approved and supervised by the Ministry of Industry, Trade and Supply; and the organization of exhibitions of Jordanian products abroad or the participation in exhibitions held outside the Kingdom shall be made in accordance with the conditions determined by the Minister of Industry, Trade and Supply in accordance with instructions to be published in the Official Gazette. C- The Minister of Industry, Trade and Supply may delegate the powers of the Ministry of Industry, Trade and Supply stipulated in Paragraphs (A) and (B) of this Article to any entity.

Article (48): The Minister may delegate any of his authorities stipulated in this Law to the Secretary General of the Ministry or any of its senior employees, provided that the delegation is in writing and

General or the Ministry or any of its senior employees, provided that the delegation is in writing and specific.

Article (49): Without prejudice to Article (50) of this Law, no provision in any other legislation shall be enforced to the extent that it contradicts the provisions of this Law.

Article (50): The provisions of this Law shall not apply to the Aqaba Special Economic Zone.

Article (51): 25 A- The Council of Ministers shall issue the necessary regulations to implement the provisions of this Law. B - The Minister shall issue the necessary instructions to implement the provisions of this Law.

Article (52): A- Upon the effectiveness of the provisions of this Law, the Investment Law No. (30) for the year 2014 shall be repealed. B- Notwithstanding the provisions stated in Paragraph (A) of this Article, the regulations, instructions and decisions issued under the Investment Law shall continue to be in effect until they are canceled, amended or replaced by others in accordance with the provisions of this Law.

Article (53): The Prime Minister and Minister shall be responsible for the implementation of the provisions of this Law