

We, Abdullah II Ibn Al Hussein, the King of the Hashemite Kingdom of Jordan,

Pursuant to the article (31) of the Constitution,

And based on the Resolution of the Council of Ministers dated 30/01/2001

Enacted the below Regulation:

Regulation (23) of 2001

Organizing of Accounts and Financial Statements of Registered Entities in the Aqaba Special Economic Zone

Issued pursuant to the paragraph (A) of article (40) of the Law of Aqaba Special Economic Zone No. 32 of 2000

Article (1)

This Regulation shall be named: " Regulation on the Organizing of Accounts and Financial Statements of Registered Entities in the Aqaba Special Economic Zone" and shall enter into force as of the date of publication hereof in the Official Gazette.

Article (2)

The following words and expressions shall have the meanings set against each of them unless the context otherwise requires:

- Law : means the Law of Aqaba Special Economic Zone
- Zone : Means Aqaba Special Economic Zone
- ASEZA : means the Aqaba Special Economic Zone Authority
- Board : means the Board of Commissioners
- Chairman : means the Chairman of the Board

Registered entity: means the legal entity registered with the ASEZA and licensed to exercise any economic activity in the Zone in accordance with the provisions of the Law.

Article (3)

Without prejudice to the provisions of any other relevant legislation applicable in the Zone and the Customs Region, a Registered Entity shall organize its accounts and financial statements in accordance with the recognized accounting norms and the internationally approved financial and accounting rules by applying the required accounting systems for this purpose, especially with respect to:

- a. Keeping records in accordance with the provisions of article (4) hereof;

- b. Monitoring the stock according to the provisions of article (5) hereof;
- c. The entity's revenues and expenditure; and
- d. Pursuant to the provisions of paragraph (B) of article (40) of the Law, the income generated from the Entity's operation inside the Kingdom, except for the Zone, and the expenses related thereto, independent of the income generated from the Entity's activity within the Zone and outside the Kingdom, as well as the expenses related to such income.

Article (4)

A Registered Entity shall maintain a system to keep the records relative to:

- a. Introduction of goods to the Zone, and the sale and consumption of such Goods in the Zone;
- b. Exporting goods from the Zone and re-export and transit movement of goods, as well as the consecutive transfer of goods from, to or through the Zone;
- c. All invoices related to goods, including Payload statement (manifest), packaging lists, purchase orders, certificates of origin and other documents related to the Entity's activity, including:
 - 1) Financial records related to payments and received amounts;
 - 2) Import and export statements;
 - 3) Goods transit permits;
 - 4) Production-related documents;
 - 5) Title deeds related transfer of goods ownership;
 - 6) Goods delivery bonds; and
 - 7) Statistical statements and annual records of stock.

Article (5)

- A. A Registered Entity shall maintain a system to monitor the stock of goods introduced to the Entity's facilities in the Zone, including the goods allocated for consumption or usage, provided that such system shall include the following features:
 - 1) An accounting record to show the movement and quantity of goods, starting from the production or introduction process, custom clearance, up to the final storage or manufacturing process, or transfer of ownership in such goods to another entity (whether registered or not registered in the Zone) or the use, consumption, destruction or disposal of such goods in whatever manner according to the provisions of the Law and the regulations and the instructions issued thereunder;
 - 2) The decrease and increase quantities in goods stock, goods value, description and classification according to the lists of Customs Tariff must be shown;
- B. The quantities of goods received by the Registered Entity must be recorded in a report that indicates the unique identification of the Admission Statement, so that the movement of such goods can be tracked by such Statement and the supporting documents, provided that they must be registered thereafter in the Stock Monitoring System by using the unique identification number of the Admission Statement.

Article (6)

- A. Upon receipt of the goods, the Registered Entity shall take the following procedures:
- 1) Review the admission documents related to such goods in order to ensure the presence of a written permission by the concerned authority in the Zone to receive the goods in their locations;
 - 2) Verify the conditions and quantities of the goods and compare the same with that contained in the invoice related to the receipt and shipment of the goods, and then correct any difference;
 - 3) Notify the concerned department in ASEZA immediately of any change to the condition or quantity of goods, and provide ASEZA with an amended Admission Statement that shows any increase or decrease therein;
 - 4) The goods available in the Stock of the Registered Entity shall be recorded along with the unique identification number of the Admission Statement;
 - 5) Transfer of the goods from the area of receipt to the area of storage;
 - 6) The packaging of the goods must be marked, or the goods must be placed in a marked storage area in order to be properly identified upon review of the stock and auditing of the accounts;
- B. The unique identification number of the Admission Statement shall be used in order to show the stock available in the facilities, and the similar goods of the stock may be recorded in the Records System by using a unique number of that class of the stock, provided that the records which indicate the unique number of the Admission Statement or the unique number of the Stock Class must show the following:
- 1) Location of the goods;
 - 2) The real cost and value of goods
 - 3) The starting balance of goods, incoming and outgoing lots, accumulated outgoing lots, available balances, and the outcomes thereof;
 - 4) Consumed goods;
 - 5) Duly Destructed goods;
 - 6) Scrap and wastes.

Article (7)

- A. Subject to the provisions of article (B) of this article, a Registered Entity shall be responsible for all its own goods and those in its possession until they are disposed of in accordance with the provisions of the Law and the regulations issued thereunder;
- B. If goods were sold or the ownership thereof was transferred from a Registered Entity to any other person within the Zone, such purchaser or person to whom the ownership was transferred shall be responsible for the goods upon signing the receipt thereof, and accordingly the stock records shall be amended;
- C. A Registered Entity shall be relieved from its responsibility for the consumption of goods such as fuel, oils, goods, office stationary, cleaning material, chemical expedients or inhibitors in the locations of such Entity; however, the Registered Entity shall maintain, as the case may be, the records related thereto, provided that the Entity shall prove the consumption of such goods;

- D. Quantities of goods introduced to the Zone for the purpose of use, not consumption, such as construction materials, equipment, production machines, and office furniture shall be recorded separately as capital assets in the stock records of the Registered Entity. The Registered Entity shall maintain sufficient records for this purpose, including the Admission Statement, supporting documents, and vehicle registration records, and the records showing the locations of goods in order to facilitate the process of validating that such goods are still in the Zone.

Article (8)

A Registered Entity shall, within a period of no more than four months from the end date of its financial year, provide the ASEZA with all books, records and entries as well as any other required documents, except if otherwise determined by the Board.

Article (9)

- A. If the Registered Entity failed to maintain a stock monitoring system or records keeping system in accordance with the provisions hereof, ASEZA shall then take the procedures provided for in the Law in this regard; and
- B. In case any of the records prescribed under the provisions of paragraph (A) of this article was lost, damaged, or was inaccurate to an extent that prevents the concerned department of ASEZA from auditing or examining the quantities of goods and the relevant records, then ASEZA may take the procedures it deems appropriate.

Article (10)

Every person who carries out an official duty in the course of implementing the provisions hereof shall maintain the confidentiality of all documents of the Registered Entity, as well as the information, statements, production and manufacturing methods and means, customer lists, and any other data related to an Entity. Such person shall refrain from copying or keeping any copy of such information under legal liability.

Article (11)

Every person who exercises an economic activity according to the provisions of article (22) and (23) of the Law shall comply with the provisions of this Regulation and the Board may relieve certain persons from the obligations contained herein, partially or wholly, under instructions to be issued for this purpose.

Article (12)

- A. The Board shall issue the instructions necessary for the implementation of the provisions of this Regulation, including:

- 1) The time period during which a Registered Entity shall maintain its records, books, accounting and financial statements, and the procedures related thereto; and
 - 2) The principles and procedures of ASEZA's auditing of the records and books of a Registered Entity.
- B. Instructions issued pursuant to the provisions of this Law shall be published in the Official Gazette.

30/01/2001