

Regulation No. (11) of 2001 on

Regulation on Organization and Development of the Investment Climate of Aqaba Special Economic Zone

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Issued pursuant to Article (56) of the Law No. (32) of 2000 on Aqaba Special Economic Zone

Article 1 -

This Regulation shall be cited (Regulation on Organization and Development of the Investment Climate of Aqaba Special Economic Zone of 2001) and shall come into effect as of the date of publication hereof in the Official Gazette.

Article 2 - The following words and expressions, wherever stated in this regulation, shall have meanings designated hereunder unless the context otherwise implied:

Law	: Law on Aqaba Special Economic Zone.
Zone	: Aqaba Special Economic Zone.
Custom Territory	: The lands and territorial waters of the Kingdom excluding the Zone.
Authority	: The Authority of the Zone.
Board	: The Board of Commissioners.
Chief Commissioner	: The Chairman of the Board.
Economic Activity	: Any commercial, industrial, agricultural or service activity carried out by the Enterprise within the Zone.
Registration Regulation	: The Regulation on Registration and Licensing of Enterprises in Aqaba Special Economic Zone.
Enterprise	: The Registered Enterprise and the non-Registered Enterprise.
Registered Enterprise	: The person registered with the Authority and licensed to exercise any economic activity within the Zone in accordance the provisions of the Law and the Registration and Licensing Regulation.
Prohibited Activity	: The activity stipulated in the Registration and Licensing Regulation.
Restricted Activity	: The activity stipulated in the Registration and Licensing Regulation.
Regulating Instructions	: The Instructions on Regulation and Monitoring the Activities of the Registered Enterprise issued in accordance with Subclause (1) of Clause (m) of Article (15) of the Law.
Facility	: Any premises in which the Enterprise carries out its Economic Activity.
Operation Commencement Permit	: The approval granted by the Authority to the Enterprise for commencing a certain Economic Activity in the Zone, in accordance with the provisions of this Regulation.
Permit Requirements	: The conditions provided for in the Regulating Instructions, which should be fulfilled by the Enterprise in order to obtain the Operation Commencement Permit.
Technical Requirements	: The Permit Requirements relating to the Facility's conditions of technical nature, method of operation or management of the Economic Activity, as well as the environmental requirements,

excluding the conditions related to the nationality of the Enterprise or the restrictions set forth in the Regulation on Registration and Licensing.

Health Certificate : The document granted by the Authority to the Facility as evidence of fulfillment thereof of the public health requirements and conditions prescribed in the Regulating Instructions.

Public Safety Certificate : The document granted by the Authority to the Facility as evidence of fulfillment thereof of public safety requirements and conditions prescribed in the Regulating Instructions.

General Provisions

Article 3 -

This Regulation shall aim at providing an investment climate in the Zone on the basis of economic liberalization by removing obstacles to investment, promoting competition in carrying out different Economic Activities, simplifying the procedures and strengthening the principle of transparency with a view to achieve the optimum exploitation of available resources and to increase the efficiency of production therein.

Article 4 -

- a - Commencing a certain Economic Activity in the Zone shall not be conditional upon the procuring a Operation Commencement Permit by the Enterprise, unless it is necessary for the protection of a public interest, such as the protection of public health, environment, public safety, public economic interest, promotion of investment in public facilities or the protection of security and public order.
- b - The activities, the performance of which shall be subject to procuring a permit, shall be determined in Annexes (1) and (2) to this Regulation. No Enterprise may commence operation in any of the activities stated therein prior to procuring the required permit.
- c - The Authority shall have the right to require an Operation Commencement Permit for carrying out any Economic Activity that has not been previously carried out in the Kingdom in the event that such a permit is necessary for achieving a public interest.

Article 5 -

No Enterprise may commence operation in the Zone but upon procuring the permit for the same from the Authority in accordance with the provisions of this Regulation, including banks, financial companies performing banking activities and insurance companies all of which are licensed by the competent authorities pursuant to the relevant legislation in effect.

Permit Requirements

Article 6 -

The following matters shall be determined pursuant to the Regulating Instructions and upon coordination with the relevant bodies in the Customs Territory as to the activities listed in Annex (2) to this Regulation:

- a - Requirements for procuring the Operation Commencement Permit.
- b - Statements included in the application for permit submitted on the form prepared for this purpose to the Authority and the documents to be therewith enclosed.
- c - The criteria for approving or disapproving the application.
- d - The procedures and terms relating to the application for permit and the approval or disapproval thereof.

Article 7 -

At issuing the instructions set forth in Article (6) of this Regulation, the Board shall take the following into consideration:

- a - The Permit Requirements and conditions must be clearly specific and directly related to the activity to be exercised by the Enterprise.
- b - Permit Requirements and conditions shall not contain any of the restrictions set forth in the Regulation on Registration and Licensing except for the restrictions provided for in Annex (2) to that Regulation.
- c - Determining the level of protection required to be available through the Technical Requirements and considering such level to be achieved if the Authority establishes that the Technical Requirements presented by the Enterprise meet the purposes of granting the permit thereto.
- d - Adopting the international specifications for the Technical Requirements of the Permit, unless the Authority has made sure that, and for reasons relating to the specificity of the Zone, that such specifications do not fulfill the required level of protection.
- e - Nondiscrimination between Jordanian and non- Jordanian enterprises as to the technical requirements of the Permit.

Article 8 -

- a - The environmental requirements pursuant to the regulations on protection of environment issued under the Law shall be considered as part of the Permit Requirements. In cases in which the activity of the Enterprise is subject to an environmental impact assessment study under the Law, the findings of the study shall be considered a key factor in determining the environmental Technical Requirements of the Facility to which the Permit is to be granted.
- b - In all cases, the Enterprise which exercises an Economic Activity that is not subject to procuring an Operation Commencement Permit, the Enterprise shall comply with the environmental requirements and conditions required by the applicable environmental protection in the Zone.

Article 9 -

The Enterprise, which has obtained an Operation Commencement Permit in the Zone in accordance with the provisions of this Regulation, shall not be subject to any other prior approvals, except for the Public Health and Safety Certificates in accordance with the Regulating Instructions, provided compliance thereof with the provisions of the relevant regulations in effect in the Zone.

Article 10 -

- a - The applicant for the permit shall therewith enclose the plans of the Facility in which the Economic Activity shall be conducted if the Regulating Instructions require the prior approval of the Authority on such plans.
- b - Prior to evaluating the enclosed plans, the Authority shall verify that the application meets the requirements and conditions of the permit within a period not exceeding fourteen working days as of the date of receiving the application.
- c - If the period referred to in Clause (b) of this Article has lapsed without requesting any modification to the application or the enclosures therewith, the application shall be considered to have met the conditions and requirements of the permit.

- d - The applicant for the permit shall be exempt from submitting any document which was previously submitted thereby to the Authority and to which no modification has been made.

Article 11 -

- a - The Authority shall, within the terms specified in the Regulating Instructions, verify the following:
 - 1 - That the plans enclosed with the application for permit conform with the Technical Requirements of the permit.
 - 2 - The extent of the need for an environmental impact assessment study in accordance with the provisions of the Regulations on Protection of the Environment issued pursuant to the provisions of the Law.
- b - The plans that are requested to be modified in order to comply with the Technical Requirements shall be re-evaluated according to the procedures set forth in the Regulating Instructions.
- c - The term determined for evaluating the plans shall commence from the day following the lapse of the term referred to in Clause (b) of Article (10) of this Regulation or from the day following notification of the applicant of commencement of evaluating the plans, whichever earlier.
- d - If the term specified for evaluating the plans has lapsed without the requesting the modification thereof or requesting conducting an environmental impact Assessment study by the Authority, the same shall serve as an approval on the plans.
- e - In the event that the Technical Requirements for the Facility specified in accordance with the Regulating Instructions were met, construction of the Facility may be commenced to carry out the activity thereof without procuring the prior approval of the Authority on the construction plans, except for any activities provided for in such Instructions.

Inspection of the Facility

Article 12 -

- a - The Board shall issue instructions defining the procedures for inspection of entities and the time periods required for the same, except in the cases provided for in this Regulation.
- b - Prior to submitting an application for the inspection of the facility, the Enterprise shall have the facility prepared according to the specified Technical Requirements or those approved by the Authority, as the case may be, provided that the application for inspection of the facility shall not be submitted prior to submitting the application for permit.

Article 13 -

- a - The Authority shall schedule, within a period not exceeding three working days as of the date of receiving the application for inspection, a date for conducting the inspection of the facility, provided that the same shall not exceed ten working days as of the date of receiving the application, and that such a procedure shall be limited to the objectives and scope of the inspection.
- b - An inspection report shall be executed on the form prepared for this purpose, accompanied with the necessary recommendations within five working days as of the date of completing the inspection.
- c - If is established to the Authority through the inspection report that the facility does not meet the Technical Requirements, the Authority shall notify the applicant for permit within three working days as of the date of preparing the report and shall

specify the Technical Requirements required to be completed for purposes of re-inspection.

Article 14 -

- a - The re-inspection of the facility shall take place within five working days as of the date of receipt of the application therefore by the Authority from the Enterprise. The re-inspection process may be limited to verifying that the Facility has fulfilled the incomplete Technical Requirements.
- b - A report shall be drafted with the results of the re-inspection in accordance with the provisions of Clause (b) of Article (13) of this Regulation.

Article 15 -

- a - If the Authority established through the inspection or re-inspection report that the Facility has met the Technical Requirements, the Authority shall notify the applicant for the permit within seven working days as of the date of completing the inspection.
- b - If the Authority failed to notify the applicant for permit of the results of the inspection process within seven working days as of the date of completing the inspection process, the same shall be considered as evidence on the fulfillment of all Technical Requirements by the Facility and an approval on the application for the permit.

Article 16 -

The provisions of Articles (12), (13), (14) and (15) of this Regulation shall apply to the health and public safety inspections. In the event of approval, the health or public safety certificate inspection, as the case may be, shall be issued.

Article 17 -

Whenever possible, the Authority shall complete the inspection processes required of the Facility pursuant to the provisions of this Regulation and within close time intervals.

Permit Approval or Disapproval

Article 18 -

- a - Subject to the provisions of Clause (b) of this Article, the competent body in the Authority shall issue the decision thereof on the application for the permit within a period not exceeding fourteen working days as the date of submitting the application, complete with all the required information and documents.
- b - In cases where prior approval of the Authority on the plans is required or in which the Enterprise requests the same, the approval on the application for permit shall be issued within three working days as of the date of accepting the plans. Granting the Permit in such a case shall be conditional on the verification of the Facility's fulfillment of all the Technical Requirements at conducting the inspection process and considering findings of the environmental impact assessment study, if required.

Article 19 -

- a - If the application for Operation Commencement Permit fulfilled all the requirements and conditions, the application shall be approved and the Enterprise shall be granted the required permit.
- b - If the application for Operation Commencement Permit did not fulfill all the requirements and conditions and the applicant has not completed the same within the terms specified in the Regulating Instructions, the Authority shall disapprove the application thereof and serve a notification of the same thereupon within the prescribed term under these instructions.

Article 20 -

The approval or disapproval of the Operation Commencement Permit shall be as follows:

- a - By a decision of the competent body in the Authority pursuant to the Regulating Instructions with respect to the activities listed in Annex (1) to this Regulation.
- b - By a decision of the competent body in the Authority upon coordination with the relevant bodies in the Customs Territory with respect to the activities listed in Annex (2) to this Regulation.

Article 21 -

- a - The decision on disapproval of the application for Permit shall be made in writing, dated and justified, provided that to contain the considerations that the Enterprise should observe at re-applying.
- b - Objection to the decision on disapproval may be raised to the Board within fifteen working days as of the date of service thereof upon the applicant. The Board shall resolve on the objection within five working days as of the date of receipt thereof. The resolution of the Board shall be in writing, dated and justified.

Article 22 -

If any of the terms referred to in Article (18) of this Regulation lapsed without resolving on disapproving the application for permit by the Authority nor demanding the applicant to make the necessary modifications to the statements included in the application or the documents enclosed therewith, the same shall be considered as an approval on the application for permit.

Cancellation of Permit**Article 23 -**

The Board may cancel the permit granted to the Enterprise if it failed to commence exercising the authorized Economic Activity thereof within the term specified in the permit, unless such a term has been extended prior to the expiry thereof at the request of the Enterprise.

Article 24 -

- a - Without prejudice to any severer penalty for any violation provided for in the Law and the regulations issued thereunder, the Board may resolve on suspending the permit granted to the Enterprise in the following cases:
 - 1 - If the Enterprise carried out a Prohibited Activity in the Zone.
 - 2 - If the Enterprise Carried out a Restricted Activity in violation of the provisions of the Regulation on Registration and Licensing.
 - 3 - If the Enterprise violated any of the conditions of the permit or the provisions of Article (25) of this Regulation upon the lapse of fifteen days as of the notification thereof of the necessity to remedy the same.
- b - The Enterprise may not carry out the Economic Activity thereof during the period of suspension of the permit. If the Enterprise continues with such violation upon the lapse of fifteen days as of the notification thereof of the same, the Board shall resolve on canceling the permit granted thereto.

Article 25 -

- a - The Enterprise, which obtained the Operation Commencement Permit, shall have the following obligations:

- 1 - Complying with the conditions of the permit and remedying the status thereof in accordance with any instructions subsequently issued by the Authority after granting the permit thereto.
 - 2 - Providing the Authority during the month of January of every year with the information specified by the Authority under the Regulating Instructions.
 - 3 - Paying the annual prescribed fees for the permit.
- b - The permit shall be annually renewed upon payment of the prescribed annual fees.

Electronic Means

Article 26 -

The Authority may, whenever possible, use electronic means to process the transactions thereof. In achieving the same, the Authority shall perform the following:

- a - Create its own website to display all the application forms to be submitted thereto and any statements and instructions that the Authority deems necessary to display on the internet.
- b - Submit the different applications to the Authority by electronic means.
- c - Adopt the electronic means in its transactions with governmental bodies to limit the repeated request for documents and information, and take any measures that allow optimum exploitation of the facilities that the information technology provides to governmental bodies, including access to a joint database.

Final Provisions

Article 27 -

- a - Licenses and Permits obtained by Enterprises existing in the Zone shall remain effective at the effective date of this Regulation until the expiry of the term thereof. Such Enterprises shall comply with the provisions of the Law, this Regulation and any instructions issued by the Authority in this respect.
- b - Notwithstanding the provisions of Clause (a) of this Article, the Authority may compel the existing Enterprises at the effective date of this Regulation to obtain any permits or approvals required by the Technical and Environmental Requirements in accordance with the provisions thereof.

Article 28 -

Objection to or appeal of any of the decisions issued by the Authority shall not result in suspending the execution thereof unless the Board otherwise resolved.

Article 29 -

All data and documents presented by the Enterprise to the Authority under the Law and the provisions of this Regulation shall be considered confidential and may not be disclosed but to competent judicial authorities.

Article 30 -

The Authority shall, within six months as of the effective date of this Regulation, as it deems appropriate, issue an investor guide that contains a simplified explanation of the requirements of this Regulation and the instructions issued hereunder and any relevant regulations.

Article 31 -

The Authority shall collect the following fees:

- a - A 200 Dinar fee for granting the permit.
- b - A 100 Dinar for annual renewal of the permit.

Article 32 -

If any Enterprise has commenced an activity subject to the permit without obtaining the same, the penalties set forth in Article (54) of the Law shall apply thereto.

Article 33 -

The Board may, within a period not exceeding three months as of the effective date of this Regulation, extend the terms prescribed pursuant hereto as it deems appropriate.

Article 34 -

Until the issuance of the Instructions on Regulating and Monitoring the Activities of Registered Enterprise, the Authority shall apply the requirements, procedures, terms and fees in effect in the Customs Territory relating to the permits provided for in Annexes (1) and (2) to this Regulation.

Article 35 -

Amendment to any of the Annexes to this Regulation shall take place by resolution of the Board upon a submission made by the Chief Commissioner and shall be published in the Official Gazette.

Article 36

- a - The Board shall issue the instructions necessary for implementing the provisions of this Regulation, particularly the instructions pertaining to the following matters:
 - 1 - Forms for permit applications and certificates.
 - 2 - Objection to the decisions issued by the Authority.
 - 3 - Permits which are transferable from one Enterprise to another.
 - 4 - Processing the transactions of Authority by electronic means.
 - 5 - Determining the services fees relating to the issuance of the Permit.
- b - The instructions issued pursuant to the provisions of this Regulation shall be published in the Official Gazette.

24/1/2001

Annex No. (1)

Activities subject to the requirement of Operation Commencement Permit by the Authority

- Distribution of drugs and medical, veterinary and pharmaceutical products.
- Distribution of fertilizers, growth stimulators and pesticides.
- Distribution of hazardous chemicals.
- Medical and therapeutic services and institutions, including:
 - hospitals and medical centers.
 - Nursing and rehabilitation centers.
 - Elderly and handicapped and physiotherapy centers.
 - Mineral spas.
 - Medical and physiotherapy centers.
 - Physician and dentist clinics.
 - Optics stores.
 - Medical laboratories and dental laboratories.
- Production and distribution of fireworks.
- Hotels and motels.
- All kinds of amusement parks.
- Diving and water sport clubs.
- Marine and land zoos.
- Tourism and travel offices.
- Kindergartens and child special care centers.
- Driving learning schools.

- Tourist transport in the Zone.
- Taxi and transportation offices.
- Fuel, car wash and lubrication stations.

- Animal production (livestock) and poultry facilities.
- Water plantation and fish farms.
- Stables and pet farms.

- Quarries
- Water extraction from wells.

- Industrial activities.

- Activities of public utilities, the exercise of which is assigned by the Authority to the private sector.
- Potable water purification, treatment and sterilization.
- Luxurious auto offices (limousine)
- Floating cafeteria and bar.
- Floating restaurant.
- Brick and pavement plants, and stone and granite cutters.
- Building maintenance and finishing.
- Fishing sport.
- Scooter lease.
- Bicycle and motorcycle lease.
- Natural massage centers.

- Permit to commence work for practicing the activity of recruitment of non- Jordanian domestic worker, cooks, gardeners and the like within the Zone.
- Rent a car offices.
- Chemical storage.
- Firework shows (except for storage).
- Furnished apartment lease.
- Hotel suits.
- Public and private pharmacies and drugstores.
- Logistic storage centers.
- Special utility vehicle lease for driving on un-paved roads.

Annex No. (2)

Activities granted an Operation Commencement Permit by the Authority in coordination with the competent authorities within the Customs Territory

- Sea transport services
- Air transport services
- Communication services
- Basic, secondary and higher education
- Aero recreational sports and aviation teaching.
- Mining and other exploration industries, except for quarries.
- Issuance of newspapers and periodical printed matter.
- Radio and TVC programming and broadcasting services
- Activities of public utilities, the exercise of which is assigned by the Authority to the private sector
- Small marine boats.