

In Brief: Jordan FDI Regulation

Foreign investment in Jordan is regulated under the Non-Jordanian Investments Regulation No.77 for the year 2016 ("Regulation"), that replaced the regulation issued in 2000 and came about as a direct result of the enactment of the new Investment Law No 30 for the year 2014. The purpose of this law and the package of regulations and decision that followed is part of the Government of Jordan's ongoing economic reform efforts.

The **FDI Regulation** reflects the Government's long-standing policy to attract foreign direct investment (FDI) as a key source of job creation, technology transfer and growth. The Regulation sets out the statutory rules governing foreign entry and ownership requirements, while maintaining some sectoral restrictions to safeguard small businesses and artisan production.

THE FEATURES OF JORDANIAN FOREIGN INVESTMENT REGULATION

- **No Minimum Capital Requirement**
- **Economic Activities Requiring at Least 51 % Local Ownership**
- **Economic Activities Requiring at Least 50% Local Ownership**
- **Closed Economic Activities**
- **Encouraging Jordanian Expatriate Investments**

No Minimum Capital Requirement is placed on foreign investors, who are treated as local investors being free to invest in any amount, provided sector specific regulations do not place a capital investment requirement on operations of certain economic activities.

No restrictions on foreign ownership except in a limited number of economic activities as follows:

Activities Requiring at Least 51 % Local Ownership are:

- Scheduled and non-scheduled **passenger, freight and mail air transport** services
- **Passenger and freight Road-transport** services
- **Maintenance and repair services for road transport vehicles.**
- **Maintenance of radio or television broadcasting transmitters.**
- **Land purchase** for construction, sale and rental of residential apartments.
- **Sports clubs** including organization of athletic events.



Activities Requiring at least 50 % Local Ownership are:

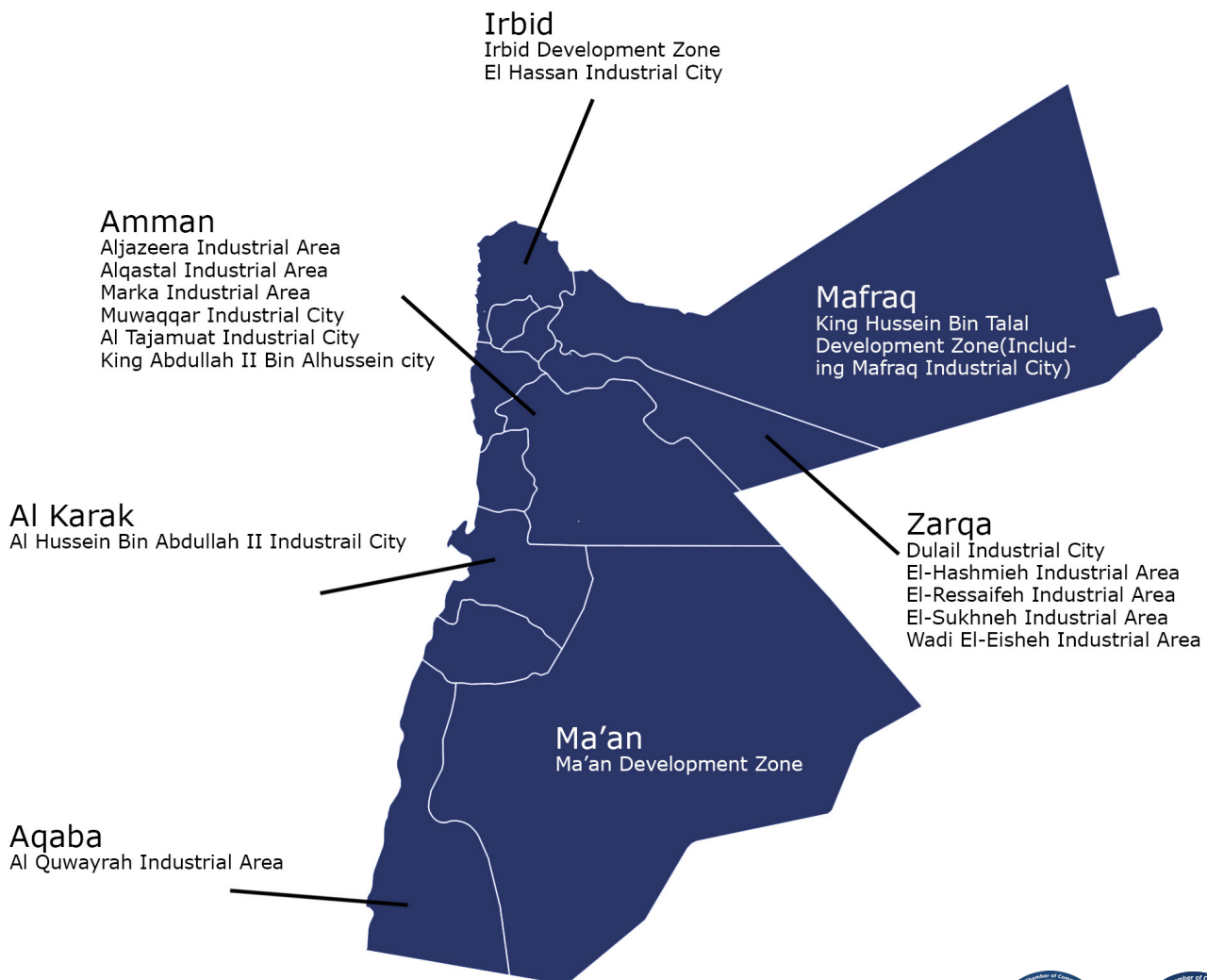
- **Retail and wholesale trade**, including: distribution services, import and export services (excluding import necessary for the purposes of the exercise of economic activity and the export of its product /commodity).
- **Renting and leasing activities**, except for financial leasing services.
- **Engineering** services and engineering consultancy services
- **Construction** services and related services.
- Technical **testing services** related to soil and chemical tests for the purposes of building and construction.
- **Photographic** services excluding motion picture and television services.
- Placement and supply services of **personnel**.
- **Brokerage** services, excluding financial brokerage and intermediary services provided by banks and financial services companies.
- **Advertising** services including advertising agencies and firms.
- **Commercial agents** and intermediary services and insurance agents.
- **Money Exchange** services except if provided by banks and financial companies.
- **Restaurants**, cafes and cafeterias except if provided in hotels and lodges.
- **Travel Agencies** and tour operator services.

- **Maritime transport and auxiliary services**, including: Passenger and freight transportation, except for transportation on vessels owned by non-Jordanians, Maritime survey and inspection, Maritime Freight Forwarding Services, Shipping Brokers, Shipping Agents, Ship chandlers, Ships management services, Maritime maintenance and Health services on ships.

- **Air transport auxiliary services**, including: Ground Handling, Freight Inspection, Loading and unloading, Freight Forwarding Services, Air Cargo brokers and Warehousing and storage services.

- **Road Transport services**, including: Specialized tourist transport services. Road transport support services including bus stops and stations, parking, and operating services for tunnels, bridges, roads and highways: Auxiliary Services to road transport including cargo handling, warehousing and storage services and freight transport agency services, inspection services, loading and unloading and freight forwarder services. Clearance services incidental to any of the aforementioned service.

INVESTMENTS IN DEVELOPMENT ZONES AND FREE ZONES CAN BE WHOLLY FOREIGN OWNED



- **Road Transport services** including: Specialized tourist transport services. Road transport support services including bus stops and stations, parking, and operating services for tunnels, bridges, roads and highways. Auxiliary Services to road transport including cargo handling, warehousing and storage services and freight transport agency services, inspection services, loading and unloading and freight forwarder services. Clearance services incidental to any of the aforementioned service.

Closed Economic Activities

- **Quarrying**, sawing of stone, building sand, rubble, dimension stone and aggregate used in construction.
- **Investigation and security services.**
- **Private security** and protection services, and training thereof.
- **Clearance services** in general
- Trading, maintenance and import of **firearms and munitions.**
- **Private shooting activities.**
- **Trading**, import and use of fireworks.
- **Bakeries** of all types.
- **Handicrafts** under a special instructions No. 9 for 2016, 13 activities **carried out by handicraft workshops (with less than 10 long-term employees)** are listed. These are: hair dressers, hand furniture upholstery sweets, ice cream and pastries shops; Ceramics, pottery and handicraft, embroidery, tailor and design; manufacture of gold ornaments and jewelry; purification, desalination and filling of drinking water; roasting nuts and grinding coffee; carpenters and metal works; pickles; plastic grinding, and dry clean laundry and clothes dyeing.



To encourage Jordanian Expatriate Investments, foreign companies owned by Jordanians with 50% or more equity shareholding are exempt from the ownership restrictions placed on certain economic activities.



Foreign investors enjoy privileges and guarantees, including national treatment, **free movement of capital, protection against expropriation and the options to resort to alternative dispute settlement mechanisms.**



Foreign investments enjoy facilitated registration and licensing services provided by the **Investment Window at the Jordan Investment Commission** that also provides support in obtaining visas, residency and work permits.



National treatment is enjoyed by US investors pursuant to the Bilateral Investment Treaty. Jordan and the US do not have a double taxation treaty.





**The American Chamber
of Commerce in Jordan**

AmCham - Jordan AmCham-Jordan is a member of the United States Chamber of Commerce. Established in 1999 as a voluntary not-for-profit member-based organization that contributes to economic development through the promotion of US-Jordan trade and investment development, policy advocacy, human resources development and business community outreach.



**U.S. - Jordan
Free Trade Agreement Unit**

Based at AmCham-Jordan, **the Free Trade Agreement (FTA) Unit** was established in 2017 with support from the United States Agency for International Development's (USAID) Jordan Competitiveness Program (JCP). The FTA Unit services as Secretariat to the National Tijara Coalition serving Jordanian and American businesses to better understand and utilize the trade and investment opportunities made available under the JUSFTA and the BIT.



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