



Benefits of Investment in Jordan Investment Promotion Law No.(16) of 1995

The different laws in Jordan recognize the benefits that foreign direct investment will bring and include provisions that encourage domestic entrepreneurs as well.

Jordan targets the following sectors for favourable tax and custom duty treatment: industry, agriculture, hotels, hospitals, maritime transport and railways, leisure and recreational compounds, convention and exhibition centers, transporting & distributing water, gas & oil, call and contact centers, research and development to benefit from the following:

Freedom from custom duties:

- Fixed assets are exempted from fees and taxes provided that they are imported into the Kingdom for the use of the project exclusively. These assets include: the machinery, equipment and supplies used in the project including furniture and equipment for hotels and hospitals.
- Imported spare parts for the project shall be exempted from fees and taxes provided that their value does not exceed 15% of the value of the fixed assets for which they are required.
- Fixed assets required for the expansion, development and modernization of the project shall be exempted from fees and taxes if such expansion, development or modernization shall result in an increase in the production capacity of the project by no less than 25%
- Hotel and hospital projects shall be granted exemption from fees and taxes once every seven years for the purchase of furniture and supplies required for modernization and renewal
- Any increase in the value of fixed assets which are imported for the project shall be exempted from fees and taxes, if such an increase is a result of a rise in the price of such assets in the country of origin, a rise in freight charges applicable thereto, or of changes in exchange rate.

Exemptions from Taxes:

- Corporate income tax rates in Jordan are as follows
- 15% on mining, industry, hotels and hospitals
- 35% on insurance and financial institutions
- 25% on all other companies
- 0% on agriculture projects

The Kingdom is divided, for the purpose of granting the above-mentioned exemptions, into three development areas: A, B and C. Projects in these areas shall enjoy exemptions from income and social services taxes for a period of ten years starting from the date of commencement of work for services projects and the commencement of production for manufacturing projects, according to the following percentages:

- 25% if the project is in a class A development area
- 50% if the project is in a class B development area

- 75% if the project is in a class C development area

Investment Guarantees

- The different laws governing investment in Jordan offer equal treatment to both Jordanian and non-Jordanian investors, thus allowing the non-Jordanian investor to own any project in full or part, or to engage in any economic activity in the Kingdom, with the exception of some trade and contracting services which require a Jordanian partner.
- Except for participation in public shareholding companies, the non-Jordanian investment may not be less than fifty thousand Jordanian Dinars (JD 50.000 or \$ 70.000)
- The investor has the right to manage the project in the manner he/she deems appropriate, and through the person(s) chosen by the investor for this purpose.
- The non-Jordanian investor shall be entitled to remit abroad without delay, and in a convertible currency, the invested capital together with any returns and profits accrued, the proceeds of liquidation of the investments as well as the proceeds of the sale of all or part of the project.
- Non-Jordanian technicians and administrators working in any project may transfer their salaries and remuneration abroad.
- It shall not be permissible to expropriate any project or to subject it to any equivalent measures, unless such expropriation is done for a purpose which is in the public interest and in return of a just compensation. The amount of compensation for non-Jordanian investors shall be made in convertible currency.
- Investment disputes between an investor of foreign capital and Jordanian governmental agencies shall be settled amicably. If no amicable settlement can be reached within a period not exceeding six months, either party may resort to litigation or may refer the dispute to the International Center for the Settlement of Investment Disputes (ICSID)
- Any investor whose investment is guaranteed by his country or by an official agency thereof, may assign to that country or agency any returns on his investment or other compensation to which he is entitled.
- With approval of the Incentives Committee, the investor may re-export the exempted fixed assets.
- With approval of the Incentives Committee, the investor may sell the exempted fixed assets or relinquish them to another investor or project not covered by the provisions of this law after paying the fees and taxes due on such fixed assets.