

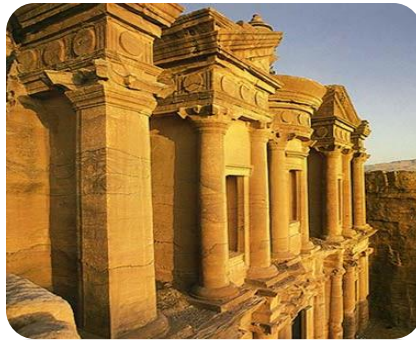


هيئة الإستثمار
Investment Commission

Investment Policies & Strategies

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Introduction

- Since 2000, the Government of Jordan has pursued economic reforms in a number of areas aimed at attracting investment, job creation, and integration into regional and global markets. These measures include the establishment of specialized government agencies to do this task.
- Under the Investment Law (No. 30 of 2014), The Jordan Investment Commission (JIC) is identified as the lead agency for implementing the Government's investment policies and activities.
- The establishment of JIC was part of an ongoing government effort to provide a more effective institutional framework to:
 - ✓ attract and retain investment,
 - ✓ support export growth,
 - ✓ and oversee development and free zones in the Kingdom.



Services provided by JIC

- **General information and prefeasibility studies.** When exploring any new market, investors require accurate, credible and up-to-date information. The JIC is uniquely positioned to provide valuable data on both specific opportunities and on key sectors.
- **Making investment partnerships a reality.** This includes the ability to highlight valuable investment opportunities in priority sectors, matching the right investors with the right opportunities.
- **A One-Stop-Shop for information.** This includes full service assistance on the requirements for registration and on gaining financial exemptions under the Investment Law (No. 30) of 2014. These valuable exemptions cover areas such as custom fees, sales taxes and income tax.
- **A full after-care service.** The JIC offers ongoing advice to stakeholders, providing an easily accessible and reassuring port of call in the event of any queries post-investment.



Services provided by JIC

- **Streamlining the investment process.** The JIC has a vital role to play in meeting one of the key objectives of Investment Law (No. 30) of 2014, namely to make the process of getting all necessary approvals as smooth as possible. **The ‘Investment Window’** set out under the law seeks to ensure that the approval process will be completed within 30 days.
- **Putting technology to work.** The JIC is at the forefront of using technology to streamline the investment process. As a key stakeholder in the development of a **new electronic investment window**, it will soon be possible to deal with all governmental regulatory aspects of an investment project via the Commission’s website. By removing the need to be physically present for the application process, this secure virtual portal offers to make the investment process truly accessible to global investors.



Investment Policies and Strategies

Investment policies and Strategies, (IPS) are aimed to:

- ✓ Create a well expanding and strong economy, where activities and businesses have practicing higher productivity and all citizens are getting, economically, better off.
- ✓ Help the national economy to be resilient to the negative impact of any global recession and/or any external shocks.
- ✓ Create the right environment and enhance the ongoing growth in the real economy as well as preserving it overtime.

However, having well-structured and operational strategic investment policies will shape the economy to achieve its development target through time, and boost its long-term growth outlook.



The principle objective of investment policy

- I. Establishing and Accelerating a favorable Environment for Investors;** through reducing the costs and risks of investing and doing business in the economy, priority actions include :
- ✓ institutional changes,
 - ✓ regulatory adjustments,
 - ✓ easing administrative processes.
 - ✓ tax policy reform,
 - ✓ streamlining business licensing,
 - ✓ and increasing the efficiency of the legal system.



The principle objective of investment policy

II. Structuring Proper Base of Essential Competencies; By providing the necessary inputs to assure that investment is productive across the economy. Priority actions include:

- ✓ maintenance and improvement the nation physical and information infrastructures,
- ✓ strengthening higher education system,
- ✓ and aligning vocational training to the needs of today's investors.



The principle objective of investment policy

III. Targeting Sustainable Progress of High Performance Investments; this can be achieved through focusing on activities that meet specific investment opportunities or other social priorities, ensuring net gains to the economy. priority actions include:

- ✓ the promotion of investments in high value-added and productive sectors,
- ✓ investments that alleviate supply chain constraints,
- ✓ investments that create a high competitive supply of goods and services



The Jordanian context

- The Arab spring and the rise of violence over the region have done little to encourage new investments and retention of existing ones.
- Yet the stability has failed to translate into increase of foreign direct investments that would recognize Jordan as a safe hub for doing business in a very volatile surrounding.
- The World Bank Doing Business Report states a continuous drop of the overall Doing Business Rank of Jordan.
- The statistics related to Foreign Direct Investments (FDI) are also discouraging. The official figures show a sharp decline from 2012 to 2015 (with a small and short increase mid 2014). From the high of over 1 Billion JOD at the end of 2012, the Net inflows of FDI have plummeted to less than 200 million JOD mid-2015.



The new investment project life cycle & the investment window



Investment Window

Establishments
and registration

Sectoral Licensing

Environmental
Licensing

Building Licensing
Occupancy
Permits
Vocational
Licensing



The Investment Window brings together representatives from relevant government agencies working together under the supervision of the Investment Commission.

Special Approvals

Ministry of interior
Ministry of labor

Sectoral Licensing Environmental Licensing Building ,Occupancy, and Vocational Licensing

Ministry of environment
Greater Amman
Municipality
Ministry of Municipality
ministry of tourism
Ministry of Agriculture
Ministry of Health
Land Department
Jordan food & Drug
Administration

Establishments and registration

Company Control
Department
Ministry Of TRADE &
iNDUSTRY

Amman Chamber of
industry
Amman Chamber of
Trade
Tax Department



Investment Window Services

- Adopting investment projects' establishment procedures starting from the pre-license and pre-registration phase up to the phase of obtaining all the necessary approvals.
- Registration and licensing investment projects.
- Registration of economic activities according to the Companies law.
- Labor affairs' services including issuing work permits and approving on enrolling non-Jordanian workers in the economic activities included in the window services.
- Issuing import and export licenses for the economic activities included in the window services.
- Issuing visas and residency permits to investors and workers enrolled in the economic services included in the window services.
- Issuing environmental approvals and permits for the economic activities included in the window services.
- Providing investors with information and technical consulting regarding the economic activities included in the window services.



Benefiting Sectors



Agriculture Sector



Industrial Sector



Healthcare Sector



Tourism Sector



Actions Taken by the investment Commission to improve the investment window

- **Complete the legislative framework governing the work of the investment window, by issuing the Investment window bylaw no.(32) for the year 2015.** where this bylaw determined the investment window purposes, responsibilities and services provided by the window. Additionally it specified the investment sectors and the economic activities covered by the window .
- **Prepared the licensing manual for the investment projects in cooperation with the USAID:** the manual has been as a technical document aiming to achieve stability and transparency when the economic Activities are licensed. The manual is designed by using simplified forms reflected in service cards that include all required information needed to take advantage of the different Investment Window services in terms of the conditions, procedures, requirements and legal periods necessary to issue the license under the relevant regulations, together with the applicable fees paid against receiving the licensing services.



Actions Taken by the investment Commission to improve the investment window

The e-Investment Window portal: the objectives of this portal are:

1. To represent the face of JIC and investments in Jordan as an electronic interface to investors and the wider public;
2. Serve as mass communication and marketing channel encompassing the benefits of investing in Jordan, current opportunities and promotions, as well as the legislative, procedural, licensing and business environment information relevant to any existing and potential investor;
3. Provide the means for electronic submission of applications for services rendered/orchestrated by the JIC.
4. Orchestration of services offered by then JIC Investment Window employees, including Case Managers and institution Official Representative, including business process management and electronic investment case files;
5. Enable meaningful statistics and provision of mechanisms for performance tracking and development of KPIs;
6. Allow investors to track their investment cases online and receive real time notifications regarding their applications.



Licensing Guide

- This manual has been issued in compliance with the provisions of Article 17 of the Investment Law No. 30 of 2014.
- The licensing manual includes:
 - conditions,
 - procedures,
 - Requirements
 - and legal periods to issue the license
- The manual is designed by using simplified forms reflected in service cards that include all required information needed to take advantage of the different Investment Window services
- The licensing manual covers investment activities included and intended to be established in all the Kingdom territories with the exception of the Aqaba Special Economic Zone



Incentive

Fiscal incentives

- Foreign investments enjoy incentives and benefits offered by the Investment Law, including exemption from custom duties, sales tax and in some cases reduction on income tax, include:
- Duty free import of capital goods for installation of the investment projects and raw materials for regular production.
- 5% income tax for income.
- (0%) Income Tax on Exports.
- (0%) on sales tax for goods and services used by the enterprise for business purposes within the zone with no guarantee.
- No Minimum Capital Requirement for foreign investment, except for shares purchased in public shareholding companies.

Non Fiscal incentives

- The Foreign investors shall receive the same treatment of the Jordanian investors.
- 100% foreign ownership in most sectors
- Take out all or part of the foreign capital
- Transfer his generated revenues and profits of his investment to outside Jordan.
- Manage his economic activity in the manner he deems appropriate.
- The foreign Labors may transfer their salaries and compensation outside Jordan.

