

**Achievement of Market-Friendly Initiatives and Results Program
(AMIR 2.0 Program)**

Funded By U.S. Agency for International Development

Investment Law Implementation Action Plan

Final Report

**Deliverable for Private Sector Policy Initiative, Task No. 512.01.01
Contract No. 278-C-00-02-00210-00**

March 2004

This report was prepared by Rand Hannun and Nisreen Haram of International Business Legal Associates (IBLAW), in collaboration with Chemonics International Inc., prime contractor to the U.S. Agency for International Development for the AMIR Program in Jordan.

DATA PAGE

Name of Component:	Private Sector Policy Initiative
Author:	Rand Hannun, Nisreen Haram
Practice Area:	Trade and Investment
Service Offering:	N/A
List of Key Words Contained in Report:	Business registration and licensing, investment facilitation, one-stop-shop, small- and medium-sized enterprise

ABSTRACT

The recently-enacted Investment Law No. (68) of 2003 includes improved provisions governing business registration and licensing, presenting an opportunity to advance reforms in this area. This brief identifies the specific reform opportunities presented by the law and proposes a plan of action to take advantage of them.

ABBREVIATIONS AND ACRONYMS

AMIR	Achievement of Market-friendly Initiatives and Results Program
ASEZ	Aqaba Special Economic Zone
ASEZA	Aqaba Special Economic Zone Authority
CDD	Civil Defense Department
JAED	Jordan Authority for Economic Development
JIB	Jordan Investment Board
JIEC	Jordan Industrial Estates Corporation
GAM	Greater Amman Municipality
MIT	Ministry of Industry & Trade
MMRA	Ministry of Municipal and Rural Affairs
MOA	Ministry of Agriculture
MOAD	Ministry of Administrative Development
MOE	Ministry of Environment
MOH	Ministry of Health
MOI	Ministry of Interior
USAID	United States Agency for International Development

TABLE OF CONTENTS

Data Page	ii
Abstract	iii
Abbreviations and Acronyms	iv
Table of Contents	v
Executive Summary	1
CHAPTER 1: Administrative Challenges to Investment	2
1.1 Typology of Problems	2
CHAPTER 2: Review of The Investment Law No. (68) of 2003.....	4
2.1 Main Principles and Provisions.....	4
2.2. Background and Rationale	4
2.3 Implementation Challenges and Opportunities.....	5
CHAPTER 3: Towards a Rationalized Licensing Regime	7
3.1 Overall Strategy.....	7
3.2 Proposed Initiatives	7
ANNEX 1: Scope of Work.....	11
ANNEX 2: The Investment Law No. (68) of 2003	16
ANNEX 3: Activities Requiring Operation Permit in ASEZ.....	24

EXECUTIVE SUMMARY

The AMIR Program stands ready to provide the Government of Jordan with technical assistance to improve the enabling environment for business by realizing the full benefits of Investment Law No. (68) of 2003 (“Investment Law” or “the law”). This recently-enacted law includes improved provisions governing business registration and licensing presenting an opportunity to advance reforms in this area. This brief identifies the specific reform opportunities presented by the law and proposes a plan of action to take advantage of them.

The brief falls into three parts. Chapter 1 gives an overview of the typology of the administrative problems and challenges facing business setup. The diagnosis is based on results of earlier studies, such as the various iterations of the Investor Roadmap and draft investment legislation, as well as knowledge gained in the process of previous reform initiatives, especially the radical reforms of the business startup process in the Aqaba Special Economic Zone (ASEZ). The overview is only intended to highlight the types of issues and problems involved in licensing. Naturally, the importance of any particular issue will vary according to sector, type of investor, nature and size of project, and so on. Furthermore, any reform must be grounded not only in an account of the problems, but also an assessment of their impact and marginal value. Nonetheless, the conclusions of this brief are based on an adequate understanding of the scale and relative significance of problems as well as their relative urgency, complexity, and priority.

Chapter 2 is a reading of Article (21) of the Investment Law, which analyzes its implications, prospects, and shortcomings. It answers the questions raised by the scope of work regarding the immediate application of the law. (See Annex 1 for the scope of work.) In this respect, it maintains that the law primarily states the responsibilities of government and the rights of business in regulatory matters, and that it can be applied through individual affirmation of rights and obligation. It is better to view the law, however, as setting a framework for business regulation that can be utilized to support a broad reform strategy and agenda. This becomes apparent as we highlight the regulatory philosophy of the law, as well as the demonstrated success of its underlying principles as adopted (more comprehensively) in the ASEZ context.

Chapter 3 proposes a reform strategy based on the principles and provisions of the law. The proposed approach covers the following three components.

- ✍ Awareness and education
- ✍ Documentation, disclosure and transparency
- ✍ Process reengineering

The proposed reforms are benchmarked against the experience and successes of the model adopted and implemented in ASEZ.

CHAPTER 1: ADMINISTRATIVE CHALLENGES TO INVESTMENT

1.1 Typology of Problems

The reform provisions of the Investment Law are an attempt to address some of the persistent and unwieldy administrative problems associated with investment and business set up. This includes company and business registration requirements; sectoral licenses by line ministries, which typically pertain to qualifications of provider, but often as well relate to facility specifications; approvals by other than line ministries relating to activity (e.g., Ministry of Interior); and, general facility- and site-related licenses and permits (e.g., municipal, public health, environmental, public safety). Such problems relate to the following.

- ✘ In practice, company and commercial registration oftendepends unnecessarily on licensing of the activity and/or even of the facility
- ✘ Arguably many of the sectoral licenses do not have a clear and valid purpose and may be a superfluous administrative requirement
- ✘ Licensing requirements are often irrelevantto the purpose of the license (i.e., it is not clear how stipulating such requirements promotes the purpose the license is said to serve)
- ✘ Unreasonable licensing requirements are sometimes a pretext for restricting market access and protecting interests of incumbents
- ✘ Licensing procedures of line ministriesare not always transparent or timely
- ✘ Criteria for licensing decisions are often vague and leave considerable room fo exercise of random discretion
- ✘ Facility- or site-related requirements are sometimes unnecessarily vague and leave room for interpretation regarding compliance (e.g., absence of clear requirement checklists for public health or safety specifications)
- ✘ Criteria for deciding to stop the issuance of new licenses and therefore restricting access to the market are often implicit and not publicly disclosed (e.g., higher education, transport sectors)
- ✘ Investors do not have clear and practical recourse against protracted procedures and unjustified decisions
- ✘ Excessive licensing requirements are often contrasted with poor post-establishment regulatory strategies
- ✘ Often the overall establishment roadmap is unclear, overly complicated, and time-consuming. This requires investors to shuttle between different departments and entities for pre-approvals, approvals, signatures, submissions, documentation and the like. Such complications may be attributed to the following features.
 - Processes are designed from the vantage point of government. The burden of ensuring submissions and coordination between government entities is thrust on the client with little semblance of intra-government coordination.
 - Often facility-based requirements of similar nature are spread among different authorities, whereas they may be competently administered by a single point of contact. Same requirements are sometimes duplicated and checkedfor by different entities.
 - Little or no utilization of information technology for intra-government data sharing and coordination
 - Often businesses are prevented from starting operations until their facility is checked for compliance, whereas compliance can be checked in many cases on a post-audit basis if criteria are made clear and transparent. This can prevent

unnecessary delays for starting operations and put burden on government to expedite compliance checks.

- ✍ In addition to substantive and procedural liensing challenges, business establishment, especially of large projects involving land development, are delayed unnecessarily because of the absence of clear criteria for land use, especially outside municipal boundaries. This poses a serious challenge for industrial and other large site-based activities.
- ✍ Although issues of market access and foreign equity are generally stipulated in law, exceptions may be granted increasingly on a case-by-case basis by Cabinet approval. While this allows for flexibility, it introduces an unnecessary element of discretion that is potentially distortive and discriminatory. It is preferable to adopt a coherent universal policy that leaves little room for lobbying and creates a level playing field for both small and large investors.

CHAPTER 2: REVIEW OF THE INVESTMENT LAW NO. (68) OF 2003

2.1 Main Principles and Provisions

It is problems such as those discussed in Chapter 1 that Articles (21) and (22) of the Investment Law attempts to govern and eliminate. In particular, the law attempts to rationalize requirements and procedures relating to sector-specific licenses, licensing approvals, and general cross-cutting permits and clearances by providing for the following

- ✘ Company and commercial registration shall be independent of sectoral licensing required by other legislation
- ✘ Licenses shall be granted only for a clear, justified public purpose and pursuant to the law (Legitimacy Criterion)
- ✘ Licenses shall not be used to restrict access to markets by limiting number of providers and restricting competition (Non-Restrictiveness Criterion)
- ✘ Sectoral license and general permit requirements, procedures and conditions must be disclosed and must be made available in writing to the public (Transparency and Disclosure Criteria)
- ✘ Decisions regarding sectoral licenses and permits must be issued within a month from the date of submission, otherwise recourse can be had to Cabinet to take a decision upon the recommendation of Minister of Industry and Trade (Timeliness Criterion)
- ✘ Any decision to reject a license request must be delivered within seven days, must have good cause shown, and is capable of being challenged before high court of justice
- ✘ Licensing by sectoral authorities shall not depend upon any implicit approvals, except for those approvals stipulated by Cabinet for reasons of national interest

2.2. Background and Rationale

The regulatory principles of the Investment Law are not novel. The notion of the public purpose, as well as the need to minimize or eliminate unnecessary licenses, disclose and rationalize requirements, and streamline individual and aggregate processes was proposed clearly by the AMIR Program in 1998 in its report entitled *Investor Road Map*.¹ Subsequently, the AMIR Program in 2000 proposed incorporation of the public purpose principle and other licensing guidelines in a draft law for modernization of the Investment Promotion Corporation – known now as the Jordan Investment Board (JIB). Unfortunately, the law did not make it beyond the draft stage.

The principles of the *Investor Road Map* have been enthusiastically embraced by the Aqaba Special Economic Zone Authority (ASEZA), reflected in its package of legislation governing investment and subsequently applied rigorously. Today, ASEZA's rationalized, transparent and highly streamlined business registration, licensing, and permitting procedures constitute Jordan's only complete and integrated one-stop-shop and e-permitting regime. This achievement is largely a reflection of the principles and guidelines set in legislation, which in turn draw on the same principles adopted in the current Investment Law.

The Investment Law also utilizes categories of sectoral versus general licenses that have proven very useful to the reform strategies in Aqaba and captured a wide range of administrative problems.

¹ AMIR Program. *Investor Road Map*. (June 1998)

The legal and institutional framework conceived by the Investment Law, however, differs from that applicable in ASEZA in the following significant respects.

- ✍ Ownership and responsibility for investment reform in ASEZA is vested in its Board of Commissioners, and in particular the Investment Commissioner. In this respect, the responsibility for eliminating licenses that do not serve a public purpose— although still a discretionary decision – lies with a single body. The same is true for other licensing criteria governing requirements and procedures.
- ✍ ASEZA is the single licensing authority in Aqaba. This is not the case in the National Customs Territory (i.e., the rest of Jordan), where no single entity has ownership and authority to implement licensing reforms and where licensing authority is spread among different entities.
- ✍ The ASEZ Investment Regulations include an exclusive list of projects subject to licenses applicable in ASEZ. This list is approved by the Board of Commissioners in accordance with the criteria set by law. This allows for consolidating control over licensing by a single body responsible for licensing standards.
- ✍ The Investment Law omits the requirement of relevance which provides that all license requirements must be relevant to the purpose of the license.

2.3 Implementation Challenges and Opportunities

The decentralization of authority for licensing and licensing reform poses a challenge, but does not render the principles and provisions of the Investment Law inoperable for the following reasons.

- ✍ In principle, the provisions of the law are binding on all entities issuing licenses and create a basis for courts to challenge certain licenses and licensing practices
- ✍ More significantly, the provisions of the law set a framework that can lend support to government or stakeholders to lead reform strategies. In particular, the law was drafted with a view to the role of Jordan Authority for Economic Development (JAED) and its mandate to review investment processes and submit recommendations thereabout to Cabinet, as is illustrated by Article (5) of the Law for Investment Climate and Enterprise Development No. (71) for 2003

“A. In the purposes of achieving its objectives, the (Jordanian Authority for Investment Climate and Enterprise Development) shall assume the following functions and powers.

1. Studying the investment climate, economic sectors and the enterprises connected thereto
2. Studying strategies and policies and proposing implementation plans and programs necessary to support and develop the investment climate, economic sectors, and the enterprises connected thereto
3. Studying and proposing measures to increase the competitiveness of economic sectors and enterprises connected thereto
- 4. Studying and proposing the policies, bases, criteria, and the procedures related to investment, enterprises, and the governmental governance thereof to facilitate all procedures related thereto according to the provisions of this law, including reviewing and evaluating the registration and licensing procedures of enterprises and the monitoring thereof in the Kingdom to ensure their compliance with international best practices”**

The provisions of the aforementioned law would lend considerable weight to any such reform recommendations as being consistent with its mandates.

- ✍ The ASEZA reforms do not reflect a narrow interpretation of ASEZ legislation. Rather, the reforms departed from the principles and mandates of the law to set up a regime consistent with best international practices. For example, ASEZ's governing legislation mandates streamlining procedures and requirements along the lines suggested in the Investment Law. They do not, however, specifically provide for the type of reforms that lead to establishing a one-stop-shop/e-permitting regime. Nonetheless, it is undoubtedly the legislative framework that triggered the reform process and culminated in this achievement. Moreover, such laws have created a licensing and regulatory culture that is fundamental to any such reform.

CHAPTER 3: TOWARDS A RATIONALIZED LICENSING REGIME

3.1 Overall Strategy

In conclusion, we propose to operationalize the principles and provisions of the Investment Law within a broad reform strategy that draws support from its mandates. This strategy seeks to optimize application of the law, but is not inconsistent with applications to individual cases. (This should answer generally to the questions raised in the scope of work with respect to the applications of this law.)

The strategy relies on the following three components

- ✍ Raising awareness
- ✍ Promoting documentation, disclosure and transparency
- ✍ Sponsoring and motivating process reforms

These components would include programs and initiatives that are ultimately designed to translate the law into changes on the ground that benefit stakeholders collectively, rather than on a case-by-case basis.

Ideally, the strategy should have a strong government champion, preferably JAED. In fact, the presence of JAED would allow for a comprehensive approach to investment reforms, covering procedural, substantive, institutional and policy issues. Within the JAED scheme, it would be recommended to draw a centrally-mandated, -driven, and -supervised reform strategy governing all aspects of administrative challenges to investment.

This proposal is written, however, under the assumption that JAED is not and will not be operational for some time. The strategy suggests an approach that would catalyze a series of reforms and initiatives, based largely on a “subscription/incentive” model. Within this approach, entities like the Ministry of Administrative Development (MOAD), the Ministry of Information and Communications Technology, the Greater Amman Municipality (GAM), and the Ministry of Industry & Trade (MIT) can play leading roles, if not central roles on account of capacity. The process would be driven by the AMIR Program, supported by business associations, and implemented by target government champions.

3.2 Proposed Initiatives

A. Awareness Raising

It is critical to raise awareness among government entities, businesses, and even the legal community about the principle and provisions of the law. This should aim not only at highlighting the rights and obligations under the law, but also at generating an educated discourse about regulatory philosophy, legitimate concerns for government about public purpose, and clients rights and expectations for business. To this end, we recommend the following activities.

A.1. Prepare regulatory best-practice guidebook

The manual would explain provisions of the law, their implications, and provide illustrations of best international practices. The manual should serve as a userfriendly reference guide for government and business on best-practice principles in government service processes. It can illustrate sample sector-specific processes (both local and international) but is not intended to serve as a sector-specific guide. The manual should provide useful templates and a checklist against which ministries and clients can assess current processes. It will advise clients on recourse in cases of non-compliance or flagrant inconsistencies with the law, as well as

further resources on process reform. The workshop can be championed by MIT, MOAD, or even the Centers of Excellence Program.

A.2. Conduct awareness and training workshops

Such workshops should be designed to assist businesses and government in internalizing the principles and practices of the law whereby they can assess critically, but constructively current processes and either generate reforms or at least instill a culture of reform. Such workshops would demonstrate reforms applicable to single process, as well as government-wide processes. In this respect, they can highlight the true meaning of the one-stop-shop concept: realizing client-friendly processes and stimulating intra-government back-office reforms.

A.3. Incorporate principles of the law and related best practices as criteria in excellence awards

Client-related operations are critical to many government organizations and the assessment of their performance. In order to accelerate reform awareness, it would be necessary to incorporate the principles of the law and related licensing best practices as criteria in any incentive or award schemes, such as the Centers of Excellence Program or the King Abdullah Award for Excellence. The platform of such award programs can then be utilized for spreading awareness and training in such principles.

All of the aforementioned activities take steps towards a one-stop-shop concept and highlight the successful model adopted in ASEZA.

B. Documentation, Transparency, and Disclosure

The aim of this component is not simply descriptive. Rather, it uses the documentation process as a means for promoting disclosure and transparency, which is an essential first step in any reform. This can be achieved through the following activities.

B.1. Update survey of licensed activities and applicable requirements

A comprehensive survey of licenses and licensing requirements was conducted for ASEZA. This should be updated to provide a basic database for all exercises to review applicable licenses, their validity, and the relevance of their requirements.

B.2. Produce periodic and independent investor licensing guide

The guide should be designed to serve two purposes. First, it will promote transparency and disclosure about actual state of practices. Second, it will create an incentive for improvement. This periodic guide would describe licensing requirements and processes of select activities. These should be described against a template that takes the principles of Investment Law into account.

The templates would describe and assess the feature of the licensing process in respect of stated purpose, process, and time (i.e., legitimacy, relevance, transparency, and timeliness criteria). Almost akin to popular restaurant guides, such reports would serve to advise and inform the client, but also to create an incentive for government to improve processes against a fair and reasonable benchmark. If their credibility is established, such reports can be used as client guides, as well as input in excellence or performance improvement awards.

C. Reform Pilots

Ultimately, the effects of the Investment Law should be felt through concrete reform initiatives that effectively streamline requirements and processes. However, given the wide terrain of possible targets, the question is where to start to achieve high-impact results.

Drawing on analysis conducted in the course of the various AMIR Program investor roadmap studies and the establishment of ASEZ, the following suggests appropriate targets for further diagnosis and process change. The order reflects our understanding of priority, in terms of importance, practicality, and impact. The subsequent list explains why other elements and licensing processes can be omitted at this stage.

C.1. List of targeted pilots

Non-industrial, facility-related permits and clearances License requirements for small commercial services, retail outlets, and standard professions within municipal boundaries may be consolidated and re-engineered to offer a viable pilot for a one-stop-shop and e-permitting scheme. This will draw upon the results and experience accumulated by the municipal licensing reform currently undertaken by the AMIR Program. It will also replicate the ASEZA model.

Such a project is of high priority because it would benefit especially small- and medium-sized enterprises, which represent the largest segment of local investors. Additionally, it is expandable in nature, as the one-stop-shop aspect can be extended to cover businesses with simple licenses and licensing requirements, whereby application for such can be facilitated and administered by same contact point, such as the municipality.

Industrial Licensing This component owes its importance to the unnecessary complexity of the current industrial licensing roadmap, as well as the size and significance of impacted stakeholders. In addition, since the current process is seriously sub-optimal, the marginal impact of reform would be considerable, as demonstrated in ASEZ model (The industrial establishment roadmap does not include sector specific licenses. It does, however, involve numerous site, facility, land use, and environmental clearances)

Reforms in this area have been limited to models of high-level committees and a semblance of one-stop-shop, designed and administered by JIB. Unfortunately, such models are too loose and poorly designed to ensure rigorous applications. Rather, their implementation has undermined confidence in the viability and significance of the one-stop-shop concept. Once again, the ASEZA framework for streamlining industrial licensing in respect of land usage, environmental concerns, health, and public safety, and the “seamless” one-stop-shop approach can be very successfully transferred to industrial licensing generally.

Sector-specific initiatives. Such initiatives involve streamlining key outstanding licensing processes within select ministries. Most of the suggested target process involve large-scale, sector-specific facility approvals, as well as other technical requirements. The proposed sectors are significant because they constitute potential growth engines for Jordan and any reforms to their regulatory environment would impact investment considerably. Suggested areas include the following.

- ✍ **Large tourism projects** (especially outside municipal boundaries) The issues and rationale governing this area are akin to industrial licensing, especially in respect of land use and environmental issues.
- ✍ **Large Medical Establishments and Health Providers** In addition to legitimate and typically international-based requirements for providers, such sectors are subjects to complex facility specifications. At present, many of those specifications are vague, and there is a considerable mismatch between pre-establishment requirements and post-establishment regulation. Work in this area would require diagnosis and reengineering of licensing processes, in relation to a large postaudit strategy.
- ✍ **Education** Licensing requirements in this sector, especially higher education, fare poorly in respect to relevance, transparency, and timeliness. This reflects the weaknesses in overall sector strategy and post-regulatory capacity. As a result,

licensing decisions are either protracted indefinitely or awarded randomly. The process reforms in this sector can be linked to activities currently being undertaken by the Business Management Initiative of the AMIR Program

✍ **Public Transport** Same concerns as in education.

Table 3.1 Suggested Tasks and Stakeholders

Project/Pilot	Pilot Collaborators	Pilot Partners
Non-industrial facility related permits	IBLAW, BPR consultants, public awareness specialists	GAM, Ministry of Municipal and Rural Affairs (MMRA), MOAD, MIT, JIB
Industrial licensing	IBLAW, BPR consultants, technical experts in industrial requirements, public awareness specialists	MMRA, MOAD, MIT, JIB, Ministry of Environment (MOE), Ministry of Health (MOH), Civil Defense Department (CDD), Jordan Industrial Estates Corporation (JIEC), JIB, Ministry of Agriculture (MOA)
Large tourism projects	IBLAW, BPR consultants, public awareness specialists	Ministry of Tourism, MOE, Jordan Tourism Board, MIT, Ministry of Interior (MOI)
Transport, medical establishments, and health providers	IBLAW, BPR consultants, technical experts in medical requirements, public awareness specialists	Ministry of Transport, Transport Sector Regulatory Commission, MOH, MOI, MOE, Jordan Maritime Authority
Education	IBLAW, BPR consultants, public awareness specialists	Ministry of Higher Education, Ministry of Education, MOI, JIB

C.2. Projects excluded

Obviously, the aforementioned activities do not cover all sectors and area of the investor road map. In particular, the following have been excluded and for the reasons indicated.

- ✍ Financial and insurance services Subject to regulatory bodies that largely follow international practice
- ✍ Telecommunication, aviation, and maritime transport: Same as above, but also driven by tendering and request for proposal process within a growing regulatory framework
- ✍ Infrastructure projects (especially public utilities): Driven within a framework of public procurements
- ✍ Land use approvals: Require clear and high-level policies and strategies. In any case, these types of issues are better addressed in the context of specific initiatives, such as industrial or tourism licensing. Furthermore, such issues are more appropriate to address within the high-level context of JAED.
- ✍ Administration of incentive scheme under JIB: Advisable to be addressed in the context of customs and tax reform or the restructuring of JIB
- ✍ Construction permits: Out of scope

ANNEX 1: SCOPE OF WORK

Activity:	512.01.01 Licensing and Registration
SOW Title:	Investment Law Implementation Action Plan
Modification:	Original
SOW Date:	16 November 2003
SOW:	Draft
Total LOE:	5
Task and Consultant:	LOE/D/Investment Law Implementation Action Plan NH/RH Nisreen Haram RH Raghida Helou

I. Specific Challenges Addressed by this Consultancy

Articles (21)-(24) of Interim Law No. (68) for the Year 2003: The Investment Law, which was passed on 16 June 2003, promises the following substantial improvements to business registration and licensing in Jordan.

- ✍ Elimination of prior approvals or licenses for company registration
- ✍ Streamlining of sectoral licensing
 - Elimination sectoral licenses that are superfluous
 - Elimination sectoral licenses that limit competition
 - Elimination of prior approvals or licenses for sectoral licenses
- ✍ Expedition of sectoral licensing process
- ✍ Transparency of sectoral licensing process
- ✍ Recourse in case of delay of sectoral licensing process or rejection of application
- ✍ Streamlining of general licensing
 - Elimination of prior sectoral licenses
- ✍ Transparency of general licensing process
- ✍ Recourse in case of delay of general licensing process or rejection of application

At the same time, The Investment Law requires great change in the expectations and processes of those entities involved in (1) sectoral licenses, (2) business registration, (3) prior approvals, (4) prior licenses, and (5) general licenses.

The AMIR Program stands ready to provide the Government of Jordan with the technical assistance that it requires to improve the enabling environment for business by realizing the full benefits of improved business registration and licensing that are promised by The Investment Law. A first step in that assistance must be the development of a detailed action plan that specifies what steps must be taken to implement the business registration and licensing aspects of The Investment Law, as well as the time frame for those steps, the priority of those steps, and the resources required to take those steps.

II. Objective

The primary objective of the proposed consultancy is to develop a detailed action plan for the implementation of the business registration and licensing aspects of Interim Law No. (68) for the Year 2003: The Investment Law.

III. Specific Tasks of the Consultant(s)

Under this Scope of Work, the Consultant shall perform, but not be limited to, the tasks specified under the following categories.

A. Background Reading Related to Understanding the Work and Its Context

Consultant shall read, but is not limited to, relevant sections of the following materials to understanding fully the work specified under this consultancy.

NH/RH

1. Interim Law No. (68) for the Year 2003: The Investment Law
2. Relevant laws, regulations, and instructions from ASEZA
3. AMIR Program. "The 2002 Investor Roadmap of Jordan" (October 2002)

B. Background Interviews Related to Understanding the Work and Its Context

The Consultant shall contact personally, by e-mail, or by telephone the following individuals in order to fully understand the work specified under this consultancy.

NH/RH

1. Greta Boye, PSPI Team Leader, AMIR Program
2. Brad Fusco, Investment Promotion Subcomponent Manager, AMIR Program
3. Geoff Wright, Trade Market Access Manager, AMIR Program
4. Relevant stakeholders in the business registration and licensing process in the following areas
 - 4.1. National Customs Territory
 - 4.2. Aqaba Special Economic Zone (ASEZ)
5. Jamal Al-Jabiri, Project Management Specialist, U.S. Agency for International Development (USAID)

C. Tasks Related to Achieving the Consultancy's Objectives

The Consultant shall use his education, considerable experience, and additional understanding gleaned from the tasks specified in A. and B. above to achieve the following.

1. Clarify Implications

The following sections of The Investment Law suggest implications that are currently unclear. The consultant should clarify these implications, based on (1) an understanding of the law, (2) an understanding of the current business registration and licensing process, and (3) an understanding of the improvements that have been made to the business registration and licensing process in ASEZ.

1.1 Article (21), Paragraph A

States that no official body may restrict the carrying out of any activity in any project by requiring obtaining a sectoral license, unless the legislation in force requires such in achieving certain requirements.

- ☞ ? Which sectoral licenses still apply, according to new criteria?
- ☞ ? Which no longer apply?
- ☞ ? For those that no longer apply, what is required to change current expectations and processes?

1.2 Article (21), Paragraph B

States that sectoral licenses shall not be used to restrict market size by prohibiting the access of new projects in certain sectors or by limiting fair competition without undue justification.

- ☞ Are there sectoral licenses that are currently used to the control the size of particular markets?
- ☞ If so, what is required to change current expectations and processes?

- ✍ In what cases is it still permitted to use sectoral licenses to restrict market size, as justified by their contribution to the achievement of the objectives stated in (21)A?

1.3 Article (21), Paragraph C

States that sectoral licenses shall be granted according to the conditions and requirements stipulated in the pertinent legislation thereof.

- ✍ Of the sectoral licenses that still apply, what are the relevant conditions and requirements for obtaining them?
- ✍ What is required to create a roadmap of the sectoral licenses that still apply?

1.4 Article (21), Paragraph C, Subparagraph 1

States that the issuance of a sectoral license for a certain project shall not be contingent upon any other approval or license from anybody other than the official body designated for each project, in addition to the bodies and conditions specified by the Council of Ministers in preservation of the national interest.

- ✍ Are there third entities that are currently involved in granting the sectoral licenses of designated official bodies?
- ✍ If so, what is required to change current expectations and processes?
- ✍ Are there currently any of the said bodies and conditions specified by the Council of Ministers in preservation of the national interest?

1.5 Article (21), Paragraph C, Subparagraph 2

States that the official body shall specify in writing the procedures, requirements, and conditions necessary to acquire the sectoral license that it is designated to grant, as well as the supporting documents that are required to receive such a license and the time limits within which such a license must be granted.

- ✍ Do official bodies already have such procedures, requirements, and conditions, as well as required supporting documentation and time limits established and documented?
- ✍ If not, what is required for them to do so?

1.6 Article (21), Paragraph D, Subparagraph 1

States that the period for issuing the sectoral license shall not exceed one month from the date of submitting the application.

- ✍ Do official bodies currently grant sectoral licenses within the established time frame?
- ✍ If not, what is required to change current expectations and processes?

1.7 Article (21), Paragraph D, Subparagraph 2

States that, if the official body does not issue its decision to accept or reject an application for a sectoral license within the established time frame, the applicant may ask the Minister to refer the matter of its issuance to the Council of Ministers

- ✍ Are applicants currently aware of this right?
- ✍ If not, what is required for to make applicants aware of it?
- ✍ Is the Council of Ministers aware of this responsibility?
- ✍ If not, what is required to make the Council of Ministers aware of it?
- ✍ Is anything required to ensure that the Council of Ministers itself completes this responsibility in a timely fashion?

1.8 Article (22)

States that where the official body rejects granting the sectoral license, the rejection decision must be in writing, inclusive of the reasons for rejection. Also, it states that the official body

shall notify the applicant of the decisions issued within a period not exceeding seven days from the date of issuance. The applicant, in turn, shall be entitled to appeal such decision at the Higher Court of Justice within 60 days from the date of the notification.

- ✍ Do official bodies currently notify applicants of rejection decisions in the said manner?
- ✍ If not, what is required to change expectations and processes?
- ✍ Are investors currently aware of their right to appeal rejection decisions, as well as the time frame for that right?
- ✍ If not, what is required to make investors aware of it?

1.9 Article (23), Paragraph A, Subparagraph 1

States that all projects, the carrying out of which requires a sectoral license, should be registered prior to the submission of the sectoral license application.

- ✍ Are applicants and the relevant official body currently aware of this responsibility?
- ✍ If not, what is required to them aware of it?

1.10 Article (23), Paragraph A, Subparagraph 2

States that registration shall not be contingent on prior approvals or licenses.

- ✍ What entities currently issue prior approvals and licenses?
- ✍ What is required to change expectations and processes?

1.11 Article (24), Paragraph A

States that general licenses shall be granted upon fulfillment of the requirements and conditions set forth in the legislation pertaining thereto. Also, it states that the issuance of the general license shall not be contingent upon acquisition of the sectoral license.

- ✍ Which entity currently issues general licenses?
- ✍ Is the issuance of such general licenses currently contingent upon acquisition of the sectoral licenses?
- ✍ If so, what is required to change expectations and processes?

1.12 Article (24), Paragraph B

States that the official bodies empowered to issue general licenses shall specify in writing the procedures, requirements, and conditions necessary to acquire the general license, as well as the supporting documents that are required to receive such a license and the time limits within which such a license must be granted.

- ✍ Do official bodies already have such procedures, requirements, and conditions, as well as required supporting documentation and time limits established and documented?
- ✍ If not, what is required for them to do so?
- ✍ Also, it states that the period for issuing the general license shall not exceed one month from the date of submitting the application.
- ✍ Do official bodies currently grant general licenses within the established time frame?
- ✍ If not, what is required to change current expectations and processes?

States that, if the official body does not issue its decision to accept or reject an application for a general license within the established time frame, the applicant may ask the Minister to refer the matter of its issuance to the Council of Ministers

- ✍ Are applicants currently aware of this right?
- ✍ If not, what is required for to make applicants aware of it?
- ✍ Is the Council of Ministers aware of this responsibility?
- ✍ If not, what is required to make the Council of Ministers aware of it?

- ✍ Is anything required to ensure that the Council of Ministers itself completes this responsibility in a timely fashion?

2. Develop Action Plan

Based on the implications determined in Step 1, the consultant should develop a detailed action plan for the implementation of the business registration and licensing aspects of The Investment Law, which specifies what steps must be taken, as well as their time frame, priority, and resources requirements.

3. Identify Follow-on Tasks

Identify follow-on tasks that require attention from the AMIR Program. Provide adequate documentation of the background and rationale for these tasks, to serve as the basis for subsequent scopes of work.

IV. Time Frame for the Consultancy

Unless otherwise specified in writing, the time frame for this consultancy is specified by the expenditure start and end dates shown in Annex C.

V. LOE for the Consultancy

The days of level of effort are allocated by location in Annex C.

VI. Consultancy Qualifications

The Consultant shall have the following minimum qualifications to be considered for this consultancy.

1. Educational Qualifications

Minimum of a Masters degree in relevant discipline

2. Work Experience Qualifications

At least five years of relevant work experience

VII. Notes

The body of the final report should not exceed 15 pages. Additional material may be included as annexes.

The deadline for the draft report is 15 days from the start date. The deadline for the final report is 25 days from the start date.

The draft reports must be submitted for review with at least 20 percent of the LOE remaining.

Grammar and syntax should be consistent with standard English, as set out in *The Chicago Manual of Style* (<http://www.press.uchicago.edu/Misc/Chicago/cmosfaq/>) or *The AP Stylebook*. Style should be consistent with principles set out in such leading style guides as *The Elements of Style*.

ANNEX 2: THE INVESTMENT LAW NO. (68) OF 2003

Interim Law No. (68) for the Year 2003 The Investment Law

Article (1)

This Law shall be known as “The Investment Law for the Year 2003” and shall come into effect as of the date of its publication in the Official Gazette.

Article (2)

The following words and phrases wherever used in this Law shall have the meanings ascribed thereto hereunder and unless the context indicates otherwise

Ministry	:	The Ministry of Industry and Trade.
Minister	:	The Minister of Industry and Trade.
Authority	:	The Jordan Authority for Investment Climate and Enterprise Development.
Board	:	The Board of Directors of the Authority.
Committee	:	The Investment Incentives Committee formed pursuant to this Law.
Project	:	Any economic industrial, agricultural or services activity to which the provisions of this Law and the regulations and instructions issued pursuant thereto shall apply.
Fixed Assets	:	The machinery, apparatus(es), equipment and necessary tools to be used in the Project exclusively, and the furniture, furnishings and supplies for hotels and hospitals.
Lists	:	The lists of Fixed Assets and spare parts adopted by the Committee for the purposes of benefiting from the exemptions granted pursuant to this Law and the regulations issued pursuant thereto.
Fees	:	Custom duties and other fees imposed on Fixed Assets items pursuant to the laws in force, with the exception of municipal fees.
Taxes	:	Taxes imposed pursuant to the legislation in force, including those related to Fixed Assets, with the exception of municipal taxes.
Exempted Sectors	:	The economic sectors whose operating projects are exempted from Fees and Taxes in accordance with this Law and the regulations issued pursuant thereto.
Investor	:	The natural or legal person investing in the Kingdom according to the provisions of this Law.
Production Capacity	:	The designed or actual capacity of the Project.
Sectoral License	:	Any permit, approval or permission granted by an Official Body to any Person to allow him/her to carry out a certain Project, excluding General Licenses.

- General License** : The license, the purpose of which is to achieve regulatory, health or environmental purposes, or to accomplish public safety considerations.
- Official Body** : Any ministry, department, institution or any other official entity having the authority pursuant to its own legislation to issue Sectoral Licenses for a certain Project.

Article (3)

A- 1- Any Project falling within the Exempted Sectors shall enjoy the benefits and exemptions from Fees and Taxes provided for under this Law and the regulations issued thereto. The Assets stated within the Lists shall be exempt from Fees and Taxes.

2- Notwithstanding what is stated in Subparagraph (1) of this Paragraph, the goods and services that are imported or purchased locally for an exempted Project shall be subject to a (zero) general sales tax.

B- For the purposes of this Law, the geographical areas in which Projects shall benefit from Fees and Taxes exemptions shall be defined by three development areas (A, B, C), as per the degree of economic development of such areas in each of the Exempted Sectors.

C- If a Project is relocated during the granted, exemption period from one development area to another, such Project shall be treated for the purposes of the exemption for the remaining period as the Projects of the development area to which it is relocated after obtaining the Committee's written approval on such.

Article (4)

Industrial Projects established within the industrial estates or relocated thereto are granted exemptions of income, social services and land and building according to the bases, provisions and periods to be defined in regulations issued pursuant to this Law, in addition to the exemptions prescribed to these Projects in accordance with its provisions.

Article (5)

A- The Council of Ministers may decide, upon the joint recommendation of the Minister and the Minister of Finance which is based on the recommendation of the Committee, to grant any Project, whether or not the Project falls within the Exempted Sectors, any benefits or exemptions from Fees and Taxes prescribed in accordance with the provisions of this Law or any additional benefits or exemptions for the period and conditions it deems appropriate, provided that the Council of Ministers' resolution is published in the Official Gazette.

B- The Council of Ministers shall take into consideration when making its decision pursuant to Paragraph (A) of this Article the considerations of economic development and the Project's geographical location and the extent of its contribution to research, development, increasing exports, transfer of technology and creating jobs for the Jordanian manpower.

Article (6)

The Investor whose Project enjoy the exemptions or benefits in accordance with the Investment Promotion Legislation and their amendments that were effective prior to the effectiveness of this Law shall chose any of the following for his/her Project:

A- Continue to enjoy the exemptions and benefits granted thereto in accordance with that Law until the expiry of the exemption period and subject to its conditions.

B- Enjoy the benefits and exemptions provided for Projects in accordance with the provisions of this Law, provided that the Project adjusts its status and abides by the conditions and requirements specified in this Law or the regulations issued pursuant thereto. In this event, the Project's benefiting there from is limited to the period following its adjusting its status.

Article (7)

A- A committee to be known as "The Investment Incentives Committee" shall be formed at the Jordan Investment Board, chaired by the Authority's Chief Executive Officer and comprising the membership of the following:

- 1- The Chief Executive Officer of the Jordan Investment Board as vice-chairman.
- 2- The Chief Executive Officer of the Jordan Enterprise Development Corporation.
- 3- The Director General of the Income Tax Department.
- 4- The Director General of the Customs Department.
- 5- A representative of the Ministry of Planning nominated by its Minister.
- 6- A representative of the private sector appointed by the Council of Ministers, upon the recommendation of the Minister.

B- The Committee shall appoint one of the Jordan Investment Board's staff as a secretary to the Committee to keep its registers, record its decisions and sign them from the meeting's chairman and attending members.

Article (8)

The Committee shall be responsible for reviewing the applications submitted by Investors relating to the exemptions of Fees and Taxes and any other pertinent applications, and making its decisions concerning the applications according to the provisions of this Law, in addition to any functions or powers prescribed thereto in accordance with its provisions.

Article (9)

The Committee shall convene at least once a month upon an invitation from the chairman or the vice-chairman in his absence. The quorum of the Committee meetings shall be met upon the attendance of not less than five of its members, provided that the chairman or the vice chairman is among them. The Committee shall issue its resolutions by a majority vote of at least four of the attending members. Each member with an opposing vote shall record such in writing in the minutes of the meeting and sign thereon.

Article (10)

The Investor seeking to enjoy the benefits and exemptions prescribed pursuant to the provisions of this Law shall submit to the chairman of the Committee an application, complete of all documents and conditions required. The chairman shall present such application to the Committee in its first meeting to take a decision thereon within thirty days from the date of presentation. In the event of rejection, the Committee must indicate its reasons.

Article (11)

A- The Investor or his legal delegate shall be entitled to object to the Committee's decisions to the Minister within thirty days from the date of the notifying the applicant of such, provided that the objections is in writing and justified.

B- 1- If the Minister confirms the Committee's decision, the Minister's decision shall be subject to appeal with the Court of Higher Justice.

2- If the Minister agrees to the objection, he shall return the matter to the Committee for reconsideration. If the Committee insists on its decision, it returns the matter to the Minister, who in return refers the matter to the Council of Ministers to take a decision thereon. The Council of Ministers' decision shall be subject to appeal with the Court of Higher Justice.

Article (12)

A- Subject to the provisions of any other legislation:

1- The non-Jordanian Investor may invest in the Kingdom through entire ownership, partnership or shareholding according to bases and conditions determined in accordance with the provisions of a regulation to be issued for this purpose. The said regulation shall indicate the investment sectors or the branches thereof in which the non-Jordanian Investor may invest, the maximum percentage of ownership and the minimum foreign capital allowed therein.

2- In cases other than those stated in the regulation referred to in Subparagraph (1) of this Paragraph, the non-Jordanian Investor investing in any Project governed by this Law shall be afforded the same treatment as the Jordanian Investor

3- The Investor shall be free to manage his Project in the manner he deems appropriate and through the person(s) of his choice. The competent authorities shall provide the required facilities for such.

B- For the purposes of this Law, the expression "Foreign Capital" shall mean monies invested in the Kingdom by a non-Jordanian in cash or in kind, or any material or corporeal rights of such investor that have a financial value, including the copyrights and patents

Article (13)

Depriving of ownership of any Project or subjecting it to any measures that may lead to such shall not be allowed unless through expropriation for the purposes of public interest, provided that just compensation is be paid to the Investor in a convertible currency

Article (14)

A- The Investor, whose Project has been granted the exemptions and benefits according to the provisions of this Law, must carry out the following

1- Upon completing the installation of the Fixed Assets, notify the Committee in writing of the date of commencement of work or actual production of the Project

2- Keep regular accounts for the Project and appoint an auditor in the Kingdom licensed to audit such.

3- Maintain a register for the exempt Fixed Assets where all details of such assets shall be recorded.

4- Supply any information, data, or documents required by the Committee which are pertinent to the Fixed Assets of the Project and allow any authorized personnel of the Committee to enter the site of the Project to check the accuracy of such data and information

B- If the Investor fails to execute any of his/her commitments stipulated in Paragraph (A) of this Article, the Committee shall issue a notice thereto to execute such within the period prescribed thereto in the notice. If the Investor fails to do such, he/she shall be penalized with

a fine not exceeding five hundred dinars. If the violation recurs, the Investor shall be penalized with a one thousand dinars fine.

Article (15)

The Investor may transfer the ownership of the Project during the exemption period to any other Investor, provided that prior to his/her completion of the procedures necessary for such inform the Committee of such and provided that the Investor indicates the reasons that justify the transfer of ownership. In this event, the Project shall continue to enjoy the granted exemptions, benefits and guarantees until the end of such period, provided that the new Investor continues to work in the Project and replaces the previous Investor in all rights and obligations provided pursuant to the provisions of this Law

Article (16)

A- Upon obtaining the approval of the Committee, the Investor shall be entitled to sell or assign the exempt Fixed Assets as follows:

- 1- To another Investor previously benefiting from the provisions of this Law, provided that these Assets are used in the Project of such Investor.
- 2- To any Person or another Project not covered by the provisions of this Law after paying the Fees and Taxes applicable thereto.

B- If it becomes evident that the exempted Fixed Assets have been wholly or partially sold, assigned or disposed of contrary to the provisions of this Law, or have been used in other than the Project or the purposes for which the exemption was granted, the Investor must pay the Taxes, Fees and fines due on his Project according to the provisions of the laws and regulations in force.

Article (17)

If two or more Projects merge, the Committee may, according to what it deems appropriate, grant the new Project resulting from the merger the exemptions stipulated in this Law and the regulations issued pursuant thereto for a period, the maximum of which is the longest remaining period of the exemption relating to every merged Project

Article (18)

A- The non-Jordanian Investor shall be entitled to the following:

- 1- Remitting abroad the capital transferred to the Kingdom for investment therein pursuant to the provisions of this Law or the Investment Promotion legislation and their amendments that were in effect prior to the effectiveness of the provisions of this Law.
- 2- Transferring outside the Kingdom any returns and profits accrued from his/her investment.
- 3- Liquidating of the investment, or selling his/her Project or his/her part or share therein the Project without delay, provided that the Investor has paid the Project's commitments or any commitments resulting in accordance with the legislation in force towards third parties.

B- The non-Jordanian Investor may remit the funds stated in Paragraph (A) of this Article abroad in any convertible currency.

Article (19)

Non-Jordanian technicians and administrators working in any Project may transfer abroad their salaries and remuneration in accordance with the legislation in force

Article (20)

Arab and international agreements pertinent to investment, the protection thereof and dispute resolution related thereto to which the Kingdom is a party or has acceded, shall be taken into consideration when applying the provisions of this Law.

Article (21)

A- Notwithstanding what is stated in any other legislation, no Official Body may restrict the carrying out of any activity in any Project by requiring obtaining a Sectoral License unless the legislation in force requires such in achieving the requirements of Public Order and Morals, public health, education, public safety, environment, protection of natural resources, national security or execution of public economic policies and the interest of national economy.

B-

1- In all events, the purpose of a Sectoral License shall not be to restrict the market size by prohibiting the access of new Projects in certain sectors or by limiting fair competition without undue justification which shall be related to the objectives stipulated in Paragraph (A) of this Article.

2- In particular, stipulating in resolutions or procedures taken a maximum number of those to be licensed, a maximum to the volume of their productions or a minimum capital requirement as a condition to acquire Sectoral License, unless the special legislation pertinent to granting the License or the instructions issued in accordance with such legislation require such

C- Subject to the provisions of this Law, the Sectoral Licenses shall be granted according to the conditions and requirements stipulated in the pertinent legislation thereof, provided that the following principals are met:

1- The issuance of the Sectoral License for a certain Project shall not be contingent upon any other approval or License from any body other than the Official Body designated for each Project in the legislation that grants that Body the power to issue such, in addition to the bodies and conditions specified by the Council of Minister in preservation of the national interest.

2- The Official Body shall specify the procedures, requirements and conditions necessary to acquire the License and the supporting documents and the time limits within which a License must be granted, provided that they are in writing and accessible to the public without fees.

D- 1- Subject to the provisions of Subparagraph (2) of Paragraph (C) of this Article, the period for issuing the Sectoral License shall not exceed one month from the date of submitting the application to receive such, provided that all the required documents are attached to the application and that it has fulfilled all the required conditions and legal requirements.

2- If the Official Body does not issue its decision to accept or reject within the time specified in Subparagraph (1) of this Paragraph, the applicant may, while reserving his/her right to litigate, ask the Minister to refer the matter of its issuance to the Council of Ministers to take their decision thereon, based on the recommendation of the Minister which is based on the recommendation of the Chief Executive Officer of the Jordan Investment Board.

3- Banks, financial corporations, insurance companies, customs clearance companies and special free zones shall be excluded from the period referred to in Subparagraph (1) of this Paragraph.

Article (22)

A- Where the Official Body rejects granting the Sectoral License, the rejection decision must be in writing, inclusive of the reasons for rejection

B- The Official Body shall notify the License applicant of the decisions issued in accordance with the provisions of Paragraph (A) of this Article within a period not exceeding (7) days from the date of issuance. The applicant shall be entitled to appeal such decision at the Higher Court of Justice within (60) days from the date of his duly notification.

Article (23)

A- Notwithstanding what is stated in any other law, the following shall be taken into consideration:

1- All Project, the carrying out of which required a Sectoral License, should be registered prior to the submitted of the License application according to the provisions of the Companies Act in force and the provisions of the legislation in force pertaining to the registration of merchants and trade names.

2- Registration shall not be contingent on prior approvals or licenses.

B- Mere registration of the Project according to the provisions of Paragraph (A) of this Article does not give its own the right to start operation prior to obtaining the required Sectoral License.

Article (24)

A- General Licenses shall be granted upon fulfillment of the requirements and conditions set forth in the legislation pertaining thereto. The issuance of the General License shall not be contingent upon acquisition of the Sectoral License.

B- The bodies empowered to issue General Licenses shall abide with the same commitments due on the Official Bodies according to the provisions of Subparagraph (2) of Paragraph (C) and Paragraph (D) of Article (21) of this Law.

Article (25)

The Council of Ministers shall, upon the recommendation of the Minister and the Minister of Finance, issue the regulations necessary to implement the provisions of this Law, including determining the following:

A- The bases, provisions, procedures, percentages, periods and conditions relating to the exemptions from Fees and Taxes.

B- The development areas in the Kingdom which fall within the exemptions from Fees and Taxes, and the conditions and provisions relating to granting such exemptions.

C- The Exempted Sectors and their branches.

D- The bases for exemption the Project operating within the Sectors exempted from income and social development taxes, the percentage of such exemption and its period according to the development area in which it is located.

E- The provisions and periods related to Fixed Assets and spare parts entered into the Kingdom, which has been decided to be exempted according to the provisions of this Law.

F- The provisions related to additional exemptions from Fees and Taxes which may be granted when expanding the Project if such results in an increase in employing Jordanian

workforce and the Production Capacity, provided that such increase is proportionate with the amount of increase.

G- The bases and conditions required to grant exemptions according to the provisions of this Law to a new Project resulting from merging two Projects or more.

Article (26)

A- The provisions of this Law shall not apply in the Aqaba Special Economic Zone.

B- Any provision in any other legislation contrary to the provisions of this Law shall not apply.

Article (27)

A- The Investment Promotion law No. (16) for the Year 1995 and any amendments thereto shall be repealed, provided that the provisions relating to sectors, incentives and exemptions stipulated in the Law or the Jordanian Industrial Estates Corporation Law shall remain in force until the establishment of provisions to replace such pursuant to regulations issued according to the provisions of this Law.

B- The regulations and instructions issued pursuant to the Investment Promotion law No. (16) for the Year 1995 shall remain in force until repealed or replaced by others.

C- For purposes of this Law, the phrase (Investment Promotion Law) wherever stated in any legislation in force shall mean (Investment Law).

Article (28)

The Prime Minister and the Ministers shall be responsible for executing the provisions of this Law.

ANNEX 3: ACTIVITIES REQUIRING OPERATION PERMIT IN ASEZ

Activities subject to the Operation Permit required by the Authority

- ✘ Distributing medicine and medical, veterinary and pharmaceutical products.
- ✘ Distributing fertilizers, growth stimulators and pesticides.
- ✘ Distributing hazardous chemical material.
- ✘ Medical and therapeutic services and institutions, including:
 - ✘ Hospitals and medical centers.
 - ✘ Nursing and rehabilitation centers.
 - ✘ Infirmaries, disabled and natural therapy homes.
 - ✘ Mineral springs spas.
 - ✘ Medical and physiotherapy centers.
 - ✘ Physicians and dentists clinics.
 - ✘ Optics stores.
 - ✘ Medical and dental laboratories.
 - ✘ Manufacturing and distributing fireworks.
 - ✘ Hotels and motels.
 - ✘ All types of recreation cities.
 - ✘ Scuba diving and water sports clubs.
 - ✘ Marine and land zoos.
 - ✘ Tourism and travel offices.
 - ✘ Nurseries and private childcare centers.
 - ✘ Driving learning schools.
 - ✘ Tourist transportation in the Zone.
 - ✘ Taxi and transportation offices.
 - ✘ Washing and greasing stations.
 - ✘ Animal (livestock) and poultry production facilities.
 - ✘ Aquatic cultivation and fish farms.
 - ✘ Stables and pet farms.
 - ✘ Quarries.
 - ✘ Water extraction from wells.
 - ✘ Industrial activities.
 - ✘ Public utilities activities, the performance of which the Authority grants the private sector.

Activities that are granted an Operation Permit by the Authority in coordination with the relevant bodies in the Customs Territory

- ✘ Marine transportation services.
- ✘ Air transportation services.
- ✘ Communication services.
- ✘ Elementary, secondary and higher education.
- ✘ All aero-recreational sports and aviation instruction.
- ✘ Mining and other extraction industries, except quarries.
- ✘ Issuing newspapers and periodicals.
- ✘ Programming and radio and television transmission services.
- ✘ Public utilities activities, the performance of which the Authority grants the private sector