

# In Focus - Amman, Jordan

May 2011

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After Al Tamimi & Company decided to open its Amman office, we quickly came to realize the great value of having our presence there, in order to both advise clients on the local laws relating to Jordan, as well as assisting the international community wanting to do business in Jordan and the region. Al Tamimi has found great success with the office in Jordan having a team well rounded in various areas of law.

Jordan, also known as the Hashemite Kingdom of Jordan, is a place known for its world history and culture. It is nicely situated, bordering 4 countries, with 6.5 MM people, a port access in the South of the country and consists of 89,342 square kilometers.

Jordan's economy is among the smallest in the Middle East, although the Jordanian Dinar remains pegged with the USD (1 JOD is approximately equal to 1.41 USD). This coupled with the underlying government's heavy reliance on foreign assistance has created some challenges for the Jordanian economy.

Since assuming the throne in 1999, the King has implemented significant economic reforms, such as opening the trade regime, implementing a number of privatization policies, and ensuring greater regulation of the monetary framework in Jordan, which in the past few years have spurred economic growth by attracting foreign investment and creating some jobs. The global economic slowdown, however, has depressed Jordan's GDP growth.

The Government approved two supplementary budgets in 2010, but sweeping tax cuts planned for 2010 did not materialize because of Amman's need for additional revenue to cover excess spending. The budget deficit is likely to remain high, at 5-6% of GDP, and Amman will likely continue to depend heavily on foreign assistance to finance the deficit in 2011. Jordan's financial sector has been relatively isolated from the international financial crisis because of its limited exposure to overseas capital markets.

## **AL TAMIMI & COMPANY -JORDAN OFFICE**

### **Banking and Finance**

Our banking practice provides a comprehensive range of banking and finance services and our lawyers, who have extensive experience in all areas of banking and finance, including advising on a number of debt issues, as well as leading on drafting and implementation of some of the most complex corporate financing projects and arrangements, both locally and in the region, are specialists in their area of practice and fully conversant with all aspects of the banking and finance law.

The firm represents a syndicate of banks in Jordan, both national and international, advising them on all aspects of the practice of banking and finance law, from commercial matters to the restructuring and refinancing of debt. We provide advice on banking regulation and supervision throughout the Gulf region, the underwriting and syndication of loans, capital markets, securitization, debt recovery, foreign exchange contracts, equipment leasing, secured commercial lending, financing arrangements for foreign trade, project, infrastructure and corporate finance.

### **Debt Restructuring**

Al Tamimi & Company are one of the leading law firms in Jordan involved with the restructuring, refinancing and rescheduling of conventional and Islamic debt. Our debt restructuring assistance has been centered around Jordanian investment companies and we have acted as legal counsel for major local and international creditors as well as debtors in large debt restructuring and refinancing transactions.

Our team has led in the drafting and negotiation of numerous debt restructuring instruments, including standstill agreements, multi-tranche conventional and Islamic facility agreements and all aspects of bond issue restructuring, to name a few.

In addition to this, our lawyers have drafted a wide array of security documents in English and Arabic that have successfully obtained all requisite Jordan Ministry approvals. Typically, the majority of assets of Jordan investment companies are either securities or real estate. Therefore, our vast knowledge of Jordan's securities and custodian portfolio laws as well as of mortgage laws allow us to provide detailed advice and implementation of the necessary security instruments that are involved in many secured restructuring/refinancing transactions. Moreover, our legal professionals have been intimately involved in assisting and directing the securitisation of assets in connection with debt restructuring transactions in multiple GCC and MENA region jurisdictions, including the involvement of our various Al Tamimi & Company offices throughout these regions.

Finally, our team is one of the only legal service providers to guide, structure, draft and implement both conventional and Islamic debt restructuring transactions within Jordan from start to finish.

### **Islamic Finance**

Al Tamimi & Company has an unrivalled reputation in Islamic Finance documentation across the region and in Jordan we are no different. We are proud to have been a pioneer in developing -Shari'a compliant documentation.

The team has drafted and advised on Islamic finance retail and commercial products for many of the regions banks. It has a thorough knowledge of Shari'a 'ira principles and current approaches to Shari'a compliance in each jurisdiction in the region.

Our lawyers have also advised and drafted Islamic compliant finance documents for project, corporate and commercial finance transactions as well as Sukuk issues, including the first ever Sukuk to be issued in Jordan.

Our approach is to project manage the transaction by involving the Shari'a board at an early stage which reduces the extent of amendments required by the board. We also ensure, as far as possible, that common provisions in the proposed documents are settled and translated in an initial document so that they can be reproduced without subsequent extensive edits.

Our office proudly took part in the first ever Sukuk to be offered in Jordan. The Al Tamimi teams joined our regional knowledge to successfully execute this milestone.

### **Commercial Agencies, Distributorships & Franchises**

Many foreign companies seek to conduct business in Jordan through the use of commercial agents and/or distributors. The laws of Jordan have evolved to protect local entities in their relationships with their foreign principals. In addition, other local pitfalls involving taxation and trademark issues may affect foreign investors wishing to do business here. Our Jordan office has extensive experience in advising these principals with respect to all of these matters. Our practice in this area includes drafting and negotiating the agency/ distributorship arrangements between the parties, minimizing the advantages that the Jordanian laws give to protect local entities, ensuring that little or no taxation results from the transactions and taking steps to protect the brand names of the foreign principals. We can offer practical advice to structure franchise relationships based upon contemporary law.

### **Corporate and M&A**

Al Tamimi & Company's corporate commercial practice is the largest and most comprehensive in the Arabian Gulf. The practice operates from offices in Dubai, Abu Dhabi, Riyadh, Doha, Amman and Kuwait and has more than 50 corporate lawyers.

Here, in Jordan, our lawyers are experienced in advising clients on the proper formation of joint ventures,

call types of companies, as well as the establishment of branch and representative offices of foreign companies. Further, we have particular experience in designing and implementing corporate structures and business activity licensing rules throughout the country, as well as advising as to the most advantageous structure for each client and venture.

In the mergers and acquisitions sphere, some of the largest global conglomerates and significant GCC corporations active across the region entrust their mergers and acquisitions work in the Arabian Gulf to Al Tamimi & Company.

Our network of offices in the Arabian Gulf & MENA has enhanced our firm's role in the cross-border mergers and acquisitions market, with our offices in Dubai, Abu Dhabi, Riyadh, Doha, Baghdad, Amman and Kuwait City delivering genuine cross-border capabilities in the Middle East

### **Commercial Litigation & Arbitration**

Given our knowledge of and experience in the local courts, we handle major commercial matters in Jordan on behalf of both local and foreign clients. As a result of our bilingual skills and both western and eastern legal expertise, the combination of our Western educated counsel and local Jordanian litigators has produced a strong team that foreign-based companies prefer to engage when litigation becomes necessary.

In addition, we have developed a strong reputation for arbitration both in Jordan and abroad. Our lawyers have a successful track record in arbitrating under both local Jordan arbitration rules as well as more well-known international arbitrations rules such as the International Chamber of Commerce Arbitration Rules and the UNICTRAL Arbitration Rules.

### **Taxation**

Our extensive local knowledge regarding taxes and other fees applicable to any commercial transaction or corporate structure means that we regularly advise clients, both local and international, on the most advantageous structuring options available to them from a tax prospective, as well as on assisting them in obtaining any tax exemptions or other privileges, which they may benefit from.

Where a matter involves technical or complex tax issues, we regularly liaise with accredited international auditors registered in Jordan, in order to provide our clients with best possible advice regarding any commercial matter.

### **Information Technology**

Our Information Technology practice focuses on e-business, e-government, data protection, and internet, software and computer law.

We advise on all legal aspects of technology transfer, including issues relating to commercial and licensing laws, e-contracting, privacy and data protection, domain name registration and cyber-squatting, software protection, digital signatures and certificates, and website design, development and hosting.

We are perfectly positioned to assist clients with the negotiation, drafting, outsourcing and enforcement of IT contracts including tendering and the acquisition of hardware, software and network services, licensing, development and transfer agreements, web-based services (including Internet advertising, online contracting, disclaimers and privacy policies), turnkey agreements, project management and transformation initiatives.

Clients come to us to ensure they are best positioned to extract maximum value from technology-based projects. We advise on risk management and the commercialization of ideas and technology including distribution rights, non-disclosure and confidentiality agreements, and international exploitation arrangements.

### **Construction**

Al Tamimi's Construction and Engineering team is commercially focussed and internationally experienced.

Our team provides legal expertise and practical solutions to our clients, based on a broad understanding of the commercial and legal principles facilitating and promoting the performance and completion of infrastructure, construction and engineering projects in the Middle East.

Our experience with energy and infrastructure projects is wide, having worked on some of the region's largest projects.

Al Tamimi offers end to end legal expertise from procurement, contracting and delivery, to dispute minimisation and resolution. Working closely with our clients, we gain a broad understanding of the commercial objectives impacting on the project and we ensure that the most suitable procurement strategy is in place at the outset of the project along with a fully integrated project management process. In our experience, the development of a procurement and management strategy which best fits the commercial requirements of our clients has a far greater likelihood of producing and delivering a completed project which meets, if not exceeds, stakeholders' expectations.

### **Our Team**

Our team of lawyers in Jordan has a formidable set of local and international credentials. It is this combination of talent and experience that enables us to advise clients from both a commercially viable and strategic perspective. In addition to the skills and capabilities of our locally based practitioners, we offer our clients our broader attributes and strengths.

### **Local strength with a regional reach**

We have one of the largest corporate practices in the Middle East. Combined with our team across our regional offices, we provide a unique level of support, both locally and internationally for our clients.

### **Local, regional & international experience**

Our team includes lawyers with substantial experience in Jordan and the regional Middle East markets combined with team members who bring the best of international experience to the region.

For more information on how we can assist you please contact Khaled Saqqaf, Partner and Head of Jordan & Iraq Offices via email at: [k.saqqaf@tamimi.com](mailto:k.saqqaf@tamimi.com)

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### **Photo Captions:**

From left to right their names are as follows: Zaid Al Syouf, Dana Abduljaleel, Abdallah Al Fraihat, Samer Al Zuriekat, Khaled Saqqaf, Alaa Al Rawashdeh, Zeinah Al Nabih