

Operating Foreign Companies in Jordan

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The issue of the operating foreign companies in Jordan is dealt with in Articles 240 – 244 of the Jordanian Companies Law No. 22 for the year 1997 (the "Law").

According to the Law, an Operating Foreign Company means a Company or an entity which is registered outside the Kingdom, whose headquarters are in another country and whose nationality is considered non-Jordanian.

In terms of its nature it shall be divided into two main types:

1. Companies operating for limited period, which are awarded tenders in order for them to realize their work in the Kingdom for a limited period. The registration thereof shall cease upon the completion of such work unless the said Company obtains new contracts, in which case its registration shall extend to cover the execution of such work. Its registration shall be cancelled after completion of all its work in the Kingdom and after its rights and obligations are settled.
2. Companies operating permanently in the Kingdom under license by the competent official authorities.
3. Additionally, Article 240 of the Law stipulates that no foreign company or entity may exercise any commercial business in the Kingdom unless it is registered in accordance with the provisions of the Law after obtaining a permit to operate pursuant to the applicable Laws and regulations. As an example, if a foreign bank wishes to register a branch in Jordan, it is required to get the approval of the Central Bank of Jordan in accordance with the provisions of the competent Jordanian banking laws in order to operate.

As for the registration of the operating foreign company in Jordan, Article 241 of the Law states that the registration application for the Foreign Company or entity shall be submitted to the Controller of Companies (the "Controller") accompanied by the following data and documentation. However, it is important to note that the required documents are to be translated into Arabic, provided that the Arabic translation is certified by a Notary Public inside the Kingdom.

Some of the important documents required for the registration of a foreign company in Jordan include the following:

1. A copy of the Articles and Memorandum of Association, or any other document related to its foundation, showing the method of its foundation.
2. The written official documents which certify that such Company has obtained the approval of the concerned authority in the Kingdom for carrying out the work, and investing the foreign capitals therein in accordance with the legislations in force.
3. A list of the names of the members of the Board of Directors of the Company, the management committee or the partners, as the case may be, along with the nationality of each one of them, in addition to the names of the persons who are authorized to sign on behalf of the Company.

Please note that all the abovementioned documents are to be duly certified by the Jordanian Embassy or Consulate, as well as the Ministry of Interior in the foreign country. Additionally, all the documents are to be duly certified at the Jordanian Ministry of Exterior as well as the Ministry of Justice.

Furthermore, the application for the registration of the operating foreign company in Jordan must be

signed by the person authorized to register the Company before the Controller, the person authorized by him in writing, or the Notary Public. The application must also incorporate the fundamental information about the Company, including, but not limited to, the following:

- (a) The name of the Company, its form and capital.;
- (b) The objectives of the Company, established within the Kingdom.;
- (c) Detailed information about the founders, partners. or the Board of Directors and the share of each of them.; and
- (d) Any other data or information whose submittal is deemed necessary by the Controller.

Additionally, the Law has entrusted the Controller with the power to accept or reject the registration of the Foreign Company or entity in Jordan. In the event of the approval of registration, the legal registration procedures of the Company or entity in the Foreign Companies Register shall be completed and shall be published in the Official Gazette upon collecting the legal fees.

Finally, it is important to stress some of the obligations ensued on the foreign company upon registration in the Kingdom. According to the Law, the foreign company registered in Jordan shall undertake the following:

(a) To submit to the Controller within three months from the end of each fiscal year its balance sheet and the profit and loss account of its operations in the Kingdom duly certified by a Jordanian licensed auditor.

(b) To publish the balance sheet and the profit and loss account regarding its operations in the Kingdom in at least two local daily newspapers within sixty (60) days from the date of submitting these statements to the Controller.

The Minister may exclude any Company from implementing the above upon the recommendation of the Controller.