

# Newsletter

[21<sup>st</sup> Edition, June 2022]

Welcome to the twenty first edition of our Newsletter. This Newsletter contains an overview of two legal topics that we find may be of interest to readers. The two topics that we chose to cover concern two different areas of law in order to suit more than one interest; those topics are presented in this Newsletter as follows:

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*“Broadly speaking, most countries will not accept for official purposes the use of documents from other countries as they are. They will require that any documents they did not issue themselves undergo a legalization procedure in order for the documents to be acknowledged; and Jordan is no exception to this requirement.”*



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In this Newsletter, we shall be shedding light on two topics that might be of interest to readers of different sectors and backgrounds. We will first take you through some key points concerning the legalization of foreign documents to be used in Jordan with reference to the Hague Apostille (issued in accordance with the Abolishing the Requirement of Legalization for Foreign Public Documents Treaty). Then, we shall look into the subject of Development Zones in Jordan.

### **First: Legalization of Documents to Be Used In Jordan With Reference To The Hague Apostille**

With economic activities extending on a global scale, this led to the necessity for the concerned parties to exchange non-official and official documents across borders. That, in turn, necessitates a legalization process for these documents in order to prove their legitimacy. Legalization can be described as the process by which a legalization applicant certifies his/her documents issued in one country for use in another country. From our practical experience, we find that many international clients doing business in Jordan from outside Jordan (and vice versa for many domestic clients) have had (at some point of their business operations) their corporate documents, contracts, court decisions and arbitral awards legalized. Therefore, we saw it fit to provide in this Newsletter a brief

description of the process for the legalization of documents that are intended to be used in Jordan, according to the Jordanian legal framework. This will also include a glimpse on the concept of apostilles under the Hague Convention (which is broadly used by EU countries) despite it not being enforced in Jordan. This is in order to make the readers aware of the concept and to distinguish between the traditional diplomatic process of legalization from that of the apostille process of legalization that is used in other countries.

### **1. Legalization Procedures in Jordan**

Broadly speaking, most countries will not accept for official purposes the use of documents from other countries as they are. They will require that any documents they did not issue themselves undergo a legalization procedure in order for the documents to be acknowledged; and Jordan is no exception to this requirement. However, this legalization process is somewhat intricate as it will require legalization in two stages; legalization in the country that issued the documents and then legalization in the country that those documents will be used in.

For Jordan, this procedure comprises several steps. The first step is to have the documents officially translated into Arabic (by a certified translator). The requirement to have the documents translated into Arabic is due to the fact



that Arabic is the official language of the Hashemite Kingdom of Jordan and documents will not be accepted for certification without a translation in accordance with article (22) of the Jordanian Notary Public Law No. 11 for the Year 1952. This can involve certain costs and can take up a length of time should there be several documents and should their language be specific to a particular profession/industry that may need more effort to translate (such as legal or scientific terminology).

As a second step, after obtaining the certified translations of the documents (or before as the first two steps are interchangeable), the legalization applicant must then make an appointment with the Ministry of Justice and the Ministry of Foreign Affairs and Expatriates of the country that issued the documents (or with a single legalization authority, as applicable). At the time of the appointment, the documents will be certified by each ministry and a seal will be placed on the documents. The legalization applicant must also make an appointment with the Jordanian embassy in the country where the document was signed in front of the notary public. The documents then will be ready to be sent to Jordan for the last step of legalization. Should the documents be given to a legal representative (a lawyer) for legalization in Jordan then, pursuant to article (18) of the Notary Public Law, proof of

this (such as a Power of Attorney) will need to be presented.

Since this is a multistep process, the time frames for legalization in this manner are variable and can on occasions be somewhat lengthy. This is something that should be taken into consideration by clients when doing commercial business in Jordan (such as establishing a Jordanian branch of a foreign company or registering a trademark).

## 2. Legalization Procedures Under the Hague Apostille

As a result of the intricacy of legalizing documents relying on the above-mentioned traditional way, as well as due to the somewhat lengthy timeframes that may occur in some cases, a simpler legalization procedure was established, as it will be explained next. The concept of the Hague Apostille was developed by the Hague Convention in October 5, 1961 with the Abolishing the Requirement of Legalization for Foreign Public Documents Treaty. This international treaty was created with the intent to simplify the document legalization procedure for its 122-member countries and the desire to minimize the timeframes for legalization. A certification issued under this Treaty is given the title of "Apostille" or the "Hague apostille" and it is similar to a notarization. It never expires and it



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can even supplement a notarized document.<sup>1</sup> It is worthy of note that acquiring an apostille also reduces the costs of legalization as the legalization applicant only needs to pay the cost of the apostille; whereas through the traditional method the concerned person would have to pay the costs of legalization in two separate countries.

### A- Form of the Hague Apostille

While a document certified in this manner does not generally need any further certification in the country to which it is to be used in, provided the receiving country is also a member to the Abolishing the Requirement of Legalization for Foreign Public Documents Treaty, some issuing countries may require more certifications than just the apostille (such as translation).<sup>2</sup> The form that an apostille takes on a document is that of a slip of paper affixed to the document containing the following information:

1. The country of certification
2. The name of the authorized signatory
3. The authorized signatory's capacity

<sup>1</sup> Please see the Hague Convention website:  
<https://assets.hcch.net/docs/ff5ad106-3573-495b-be94-7d66b7da7721.pdf>

<sup>2</sup> Please see the Hague Convention website:  
<https://assets.hcch.net/docs/ff5ad106-3573-495b-be94-7d66b7da7721.pdf>

4. The stamp
5. The location of certification
6. The date of certification
7. The name of the individual issuing the apostille
8. The number of the certification
9. The stamp of the authority issuing the apostille
10. The signature of the officer issuing the apostille<sup>3</sup>

### B- Requirements of The Hague Apostille

With regard to the requirements for obtaining an apostille, the application of the Apostille Convention lists four types of documents as eligible to receive it. Those documents are:

- 1) Court documents
- 2) Administrative documents
- 3) Notarial acts
- 4) Official certificates signed by individuals in their private capacity (i.e.: official certificates recording the registration of a document and official and notarial authentications).<sup>4</sup>

<sup>3</sup> Please see the Hague Convention website:  
<https://assets.hcch.net/docs/ff5ad106-3573-495b-be94-7d66b7da7721.pdf>

<sup>4</sup> Please see the Hague Convention website:  
<https://assets.hcch.net/docs/ff5ad106-3573-495b-be94-7d66b7da7721.pdf>



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However, these four types do not include any documents that were issued via diplomatic or consular officials and administrative documents directly related to commercial or customs affairs.<sup>5</sup>

### C- Verification of the Hague Apostille

In order to verify an apostille, a register of all apostilles issued must be kept in each member country as stipulated in article 7 of the Abolishing the Requirement of Legalization for Foreign Public Documents Treaty.<sup>6</sup> This has since then been improved when an electronic platform for registering apostilles (the electronic apostille program e-APP) was established in 2006.<sup>7</sup> Since then, member countries<sup>8</sup> have either been utilizing e-APP or they have created their own electronic registry for the verification of apostilles issued.<sup>9</sup>

### D- Non-application In Jordan

Asides from the requirements to obtain the apostille stipulated in subsection (2) two above, the only other condition is that the convention must be applicable as it is a process that is only available for member countries of the Abolishing the Requirement of Legalization for Foreign Public Documents Treaty. However, despite there being until to date approximately 122 countries that are members to the Abolishing the Requirement of Legalization for Foreign Public Documents Treaty,<sup>10</sup> Jordan is not one of them. Despite Jordan being a member of the Hague Convention, Jordan has not signed (and has not become a member of) the Abolishing the Requirement of Legalization for Foreign Public Documents Treaty that was issued by the Hague

<sup>5</sup>Please see the Hague Convention website:

<https://assets.hcch.net/docs/ff5ad106-3573-495b-be94-7d66b7da7721.pdf>

<sup>6</sup>Please see the Hague Convention website:

<https://assets.hcch.net/docs/b12ad529-5f75-411b-b523-8eebe86613c0.pdf>

<sup>7</sup>Please see the Hague Convention website:

<https://www.hcch.net/en/instruments/conventions/specialised-sections/apostille>

<sup>8</sup>Please see the Hague Convention website:

<https://www.hcch.net/en/instruments/conventions/status-table/?cid=41>

<sup>9</sup>Please see the Hague Convention website:

<https://assets.hcch.net/docs/ff5ad106-3573-495b-be94-7d66b7da7721.pdf>

<sup>10</sup>Please see the Hague Convention website:

<https://www.hcch.net/en/instruments/conventions/status-table/?cid=41>



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Convention.<sup>11</sup> As such, the procedure of having an apostille issued to certify a document as completely legalized is not applicable in Jordan. The only available method for the legalization of documents in Jordan is the traditional diplomatic method explained in subsection one above.

It is to be noted that an apostille can be accepted in Jordan as long as it was certified by the Jordanian embassy in the country that issued it before being sent to and used in Jordan (and provided the legalization process is then completed in Jordan). However, it is to be noted that this is not a solid and set matter from a practical perspective and that it is surrounded by a certain degree of uncertainty. It comes with potential risks that would need to be considered before going through with this method.

Despite the traditional method being the more intricate method, the government has developed it in order to assist the legalization applicant. In order to simplify the length of the process, the government of Jordan has established a one-stop shop in the Amman Chamber of Commerce. The Amman Chamber of Commerce has in its premises a one-stop shop for legalization that contains offices for both the Ministry of Justice

and the Ministry of Foreign Affairs and Expatriates and provides legalization applicants with the opportunity to certify their documents by more than one governmental entity in one location instead of having to visit each governmental entity separately to certify documents.

### 3. Conclusion

In summary, countries do not accept foreign documents for use from the country that issued them without some manner of certification. In order to have those documents certified, they need to be legalized. There are two methods to legalize documents that originate from a different country than the one in which the documents are to be used.

The first is the traditional method (often referred to as the diplomatic route of legalization) of legalizing the document in the country that issued the documents and then in completing the legalization in the country that is to acknowledge them. In Jordan, this process that previously required a legalization applicant to acquire a certification from the Ministry of Justice and the Ministry of Foreign Affairs and Expatriates separately, has been facilitated by the

<sup>11</sup>Please see the Hague Convention website:  
<https://www.hcch.net/en/states/hcch-members/details1/?sid=11>





development of a one-stop shop in the Amman Chamber of Commerce that cuts down on the length of these procedures.

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The second is the method of the apostille (otherwise known as the Hague Apostille) that is one singular certification that substitutes for the legalization process and is affixed to the documents certifying them for use in another country (members to the Abolishing the Requirement of Legalization for Foreign Public Documents Treaty). It is a process that simplifies the time and cost of legalization for countries that are members as it is only applicable to them and; therefore, this form of legalization is not applicable in Jordan. While there is the option of certifying the apostille in the Jordanian embassy prior to sending the document to Jordan, this does come with potential risks that would need to be considered before commencing with this method.

Each of the mentioned certification processes have their own merits and demerits that we hope you have been well informed of by way of this section in order to make your own determination of which method to pursue, taking into consideration the number and complexity of the

documents that require legalization and certification.

We remain available to advise on and/or clarify further any legal inquiry on this matter should anyone wish to contact us on this matter.

## Second: Development Zones in Jordan

Development Zones in Jordan fall under the concept of special economic zones. As **Development zones** can be considered those zones that fall within the customs territory of Jordan and that are declared under the Investment law as development zones. As **free zones** can be considered those zones that facilitate goods transportation and stimulate economic activity.<sup>12</sup> In Jordan, there is a number of special economic zones, distributed throughout the territory; those zones include either development zones or free zones.

Registered enterprises at both development zones and free zones in Jordan enjoy incentives as per the Jordanian Investment Law No. (30) for the Year 2014 and its amendment (the “**Investment Law**”). In this Newsletter, we will specifically look into the development zones as follows:

<sup>12</sup> Please see the website of the Jordanian Ministry of Investment: <https://www.moin.gov.jo/en/development-zones/>



1.	<b>Some of The Incentives that are available in Development Zones</b>
2.	<b>Current Development Zones in Jordan</b>
3.	<b>Conclusion</b>

## 1. Some of The Incentives that are available in Development Zones

- **Reduced Income Tax:** According to paragraphs (a) and (b) under Article (11) of the Investment Law, income tax shall be (5%) of the taxable income of the registered enterprise for income that is realized from economic activity within the development zone. The same rate of 5% applies to economic activities in the industrial sector.
- **Tax Exemptions:** Further, according to article (11/d) of the Investment Law, the registered enterprise enjoys any tax exemptions that are in force relating to exports of goods and services outside Jordan.

- **0% General Sales Tax:** General sales tax is reduced to (0%) on goods and services that the registered enterprises purchase or import for the purposes of exercising their economic activity within the development zones.<sup>(13)</sup>
- **Reduced Sales Tax:** There is a (7%) sales tax that is applicable on some services provided within the development zone. These services include for example, but not limited to: call center activities, tourism office services represented in domestic tourism, ticket sales commissions, car rentals with drivers, hotel and restaurant services and commercial activities as classified in the International Standard Industrial Classification table (ISIC 3).<sup>(14)</sup>

## 2. Current Development Zones in Jordan<sup>(15)</sup>

#	Development Zone	Activity
1.	King Al-Hussein Ibn Talal Development Zone/ Mafraq	Industrial Solar energy Adjacent to residential
2.	Al Thuraya Development Zone /Mafraq	Industrial

<sup>13</sup> Article (12-a) of the Investment Law.

<sup>14</sup> Article (12-d) of the Investment Law and the Services Table annexed to the Sales Tax Regulation in Development zones and Free Zones No. (120) for the Year 2015

<sup>15</sup> Please see the website of the Jordanian Ministry of Investment:  
<https://www.moin.gov.jo/en/development-zones/>





3.	Irbid Development Zone / Irbid-Ramtha	Smart complex (services, scientific research, IT and medical industry)
4.	Maan Development Zone	Industrial skills development center/ industrial incubator, solar energy and Hajj oasis
5.	Al Muhammadiyah Development Zone / Maan	Health complex for livestock
6.	Dead Sea Development Zone / Balqa and Madaba	Tourism
7.	Ajloun Development Zone (Tourism development walkway)	IT, media, education, and telecommunication services
8.	King Abdullah II Development Zone/ Sahab	Industrial
9.	Al-Hassan Industrial Zone/ Irbid	Industrial
10.	Al-Hussein Ibn Abdullah II Industrial Zone/ Karak	Industrial

11.	Al Muwaqar Industrial Zone/ Amman	Industrial
12.	Al Tafilah Development Zone	Industrial
13.	Madaba Development Zone	Industrial
14.	Al-Salt Development Zone	Industrial
15.	Jerash Development Zone	Industrial
16.	King Hussein Business Park/ Amman	IT, media, education, and telecom services

### 3. Conclusion

Due to the importance of the aforementioned subject on Development Zones in relation to business activities and company incorporation in Jordan, we chose to only include in this Newsletter some key aspects of the subject matter. If you are interested to find out more about this topic, please feel free to get in touch with our firm by contacting one of the contributors to this Newsletter listed below.



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If you would like to discuss further any aspects of this Newsletter, please feel free to get in touch with one of our lawyers, using the contact details in the Contributors section below.

If you feel that other persons would be interested to read this Newsletter, please feel free to share this Newsletter.

- 1( If you wish not to have our upcoming Newsletter or if you wish to amend the contact details, please inform us by sending an email to [info@hammourilaw.com](mailto:info@hammourilaw.com), titled “non-subscription” and/or “amending the contact details”.

Warm regards,

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### New chapter contribution by Hammouri & Partners

On a separate note, we are delighted to be a contributing firm to the Corporate Mergers & Acquisitions Guide with Chambers Global Practice Guides for the year 2022.

Our commentary on the Mergers & Acquisitions legal framework in Jordan provides expert insights on the industry's regulatory field, recent legal developments, stakebuilding, structuring, duties of directors, related litigation and more.

Read our chapter for more expert commentary on the legal issues around Corporate Mergers & Acquisitions in Jordan

### Read publication

<https://hammourilaw.com/hammouri/wp-content/uploads/2022/05/Chambers-Global-Practice-Guides-2022-Corporate-Mergers-and-Acquisitions-Jordan.pdf>



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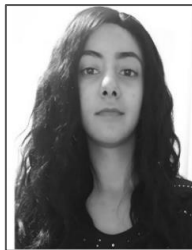
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## ABOUT HAMMOURI & PARTNERS ATTORNEYS AT-LAW

Hammouri & Partners Attorneys at-Law, is a Jordanian multi-practice law firm, founded over two decades ago (established in 1994) by Professor Mohammad Hammouri (1940-2022). Professor Hammouri was a renowned Jordanian attorney and an arbitrator, a former Minister of Culture and National Heritage and a former Minister of Higher Education, who wrote a plethora of books, primarily on constitutional rights. Professor Mohammad Hammouri also founded the first School of Law in the Hashemite Kingdom of Jordan at The University of Jordan, in which he was its first dean. Today, the firm is managed by Dr. Tariq Hammouri, a distinguished academic and attorney and a former Minister of Industry, Trade and Supply. Dr. Tariq Hammouri is both an experienced attorney and an arbitrator, an expert in the Corporate sector, Commercial Transactions, Financial Markets, Banking Law and International Trade. He is an Associate Professor at the School of Law, University of Jordan and (formerly) the Dean of the School of Law. Dr. Hammouri is also an officially appointed member of the International Center for Settlement of Investment Disputes (ICSID) Panel of Arbitrators upon designation by the Government of the Hashemite Kingdom of Jordan, for the period of 2020 to 2026.

Hammouri & Partners team consists of 25 attorneys and a number of other professionals working in the firm's specialized departments, providing professional legal services at a local, regional and international level.

The firm's legal services cover numerous areas of practice, including the following: Corporate and Commercial Law (whether that is corporate set-up or drafting of all types of commercial agreements), Intellectual Property law, Banking and Finance Law (the Firm advises local and international banks regarding all Banking Transactions and Regulatory Compliance). Additionally, the Firm's Litigation and Arbitration department have the capabilities and competence to represent parties in the most complex and novel legal matters, as it encompasses expertise in several areas of law, whether it is before courts or arbitral tribunals. Hammouri & Partners Attorneys at-Law was one of the first firms in Jordan to establish a specialized International department to cater to the needs and requirements of international clients on an array of tasks with an international element, such as those regarding bilateral and international trade negotiations, projects, contracts and others.

In addition to what has previously been stated, Hammouri & Partners provides legal advice and consultation to various industries such as those of Construction & Infrastructure, Manufacturing, Engineering, Trade, Insurance and Energy, as some of its clients are major energy, healthcare, information technology and telecoms companies.

Hammouri & Partners Attorneys at-Law provides its broad services throughout Jordan as well as worldwide, through established collaborations with reputable law firms in the MENA region, Europe, the United Kingdom and the USA. Hammouri & Partners has earned regional and international acclaim by the most reputable legal directories. Chambers and Partners Global, International Financial Law Review (IFLR 1000) and the Legal 500 all highlight Hammouri & Partners as a leading law firm in the Jordanian legal services industry.



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