

Newsletter |36<sup>th</sup> Edition, August 2023|

Welcome to the thirty-sixth edition of our newsletters. In this edition, we will delve into how previous amendments made to the Jordanian Labour Law No. (8)/1996 and its amendments (hereinafter referred to as the "Law") allowed for a more diverse and inclusive workplace in addition to adding flexibility in the work methodology. We will also look into the concept of Startups.

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"In this newsletter, we will discuss the manner in which the Jordanian Labour Law No. (8)/1996 and its amendments (hereinafter referred to as the "Law") has been amended to become more flexible and to encompass more diversity, flexibility, and equality in the labour force. To do so, we will discuss three concepts regarding the Law in Jordan. These concepts are the following: flexible work in Jordan under the regulation, collective labour contracts, and diversity in the workplace."







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#### Introduction

In this newsletter, we will primarily discuss the manner in which the Law has been amended to become more flexible and to encompass more diversity, flexibility, and equality in the labour force. To do so, we will discuss three concepts regarding the Law in Jordan. These concepts are the following: flexible work in Jordan under the regulation, collective labour contracts, and diversity in the workplace.

# First: Flexible Working In Jordan Under The Regulation

A significant unvisited yet aspect of the Jordanian labour legislations, that is also one that is not widely known about, is the flexible work system covered under the Flexible Labour Regulation No. (22) for the Year 2017. "Flexible work" is a concept that has been adopted into the Jordanian labour legislations relatively recently, it aims to allow for a more convenient work experience on both the part of the employee and that of the employer. It is comprised of more than one different forms of work that differ from the traditional work experience, under which the employee must be present at their site of work for a specified period of

time each day, every day of the week (with little in the way of exceptions to this rule).

## **What Comprises A Flexible Labour Contract**

Contrary to the conventional work experience, a flexible labour contract comprises of any of the following forms of work:

- A) Part time work in this form of a flexible labour contract, an employee is permitted to reduce their working hours should the employer agree to it and the nature of the work allows it.<sup>1</sup>
- B) Working flexible hours in this form of a flexible labour contract, an employee is permitted to distribute their specified daily working hours in a manner that suits the employee's needs should the employer agree to it. This is conditional on the daily work hours that the employee works not falling below the usual work hours of the employee.<sup>2</sup>
- C) Intensive working week- in this form of a flexible labour contract, an employee is permitted to distribute their weekly working hours over a period of time that is less than the usual working days of the







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<sup>&</sup>lt;sup>1</sup> An unofficial translation of Article 4 of Flexible Labour Regulation.

<sup>&</sup>lt;sup>2</sup> An unofficial translation of Article 4 of Flexible Labour Regulation.

establishment should the employer agree to it. This is conditional on the working hours per day not exceeding ten hours.<sup>3</sup>

- D) Flexible year in this form of a flexible labour contract, an employee is permitted to distribute their yearly working days over a specified number of months should the employer agree to it. This is conditional on this form of work not to be contravening the provisions of the Law.<sup>4</sup>
- E) Working remotely (working from home)

   in this form of a flexible labour contract, an employee performs their work tasks remotely without the need for the employee to be present at the work office should the employer agree to it.5

# Employees That Are Subject To The Regulation

The employees whom the Regulation applies to are the following employees:

- A) An employee who has worked at their job for three consecutive years.<sup>6</sup>
- B) An employee who has familial obligations, this includes pregnant women, workers who are caring for a child, a member of their family or an elder individual due to a disability or illness.<sup>7</sup>
- C) An employee who is preoccupied in their university studies.<sup>8</sup>
- D) An employee with a disability.9







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<sup>&</sup>lt;sup>3</sup> An unofficial translation of Article 4 of Flexible Labour Regulation.

<sup>&</sup>lt;sup>4</sup> An unofficial translation of Article 4 of Flexible Labour Regulation.

<sup>&</sup>lt;sup>5</sup> An unofficial translation of Article 4 of Flexible Labour Regulation.

<sup>&</sup>lt;sup>6</sup> An unofficial translation of Article 3 of Flexible Labour Regulation.

<sup>&</sup>lt;sup>7</sup> An unofficial translation of Article 3 of Flexible Labour Regulation.

<sup>&</sup>lt;sup>8</sup> An unofficial translation of Article 3 of Flexible Labour Regulation.

<sup>&</sup>lt;sup>9</sup> An unofficial translation of Article 3 of Flexible Labour Regulation.

The employee whom the Regulation applies to can request to have their contract be changed from a regular labour contract to a flexible labour contract in a manner that conforms with the nature of the work. 10 The procedures for this conversion are decided by the employer via the internal bylaw of the establishment.11 Should the employee, at any time, wishes to revert back from a flexible labour contract to a conventional labour contract, the employee has the right to do so via a request made to the employer and with the agreement of both parties on the matter. 12 However, the employer cannot force the employee to change the nature of the labour contract. Should an employer force an employee to do so, any act that negatively impacts the employee's rights (under the Law) will be under penalty of being annulled. 13

Rules That an Employer Whose
Establishment Permits Flexible Labour
Contracts Must Abide By

An employer with an establishment that follows a flexible labour contract must abide by the following:

- A) Amending the internal bylaw of the establishment in accordance with the provisions of this Regulation and the instructions issued by it.<sup>14</sup>
- B) Submitting periodic reports to the triparty committee on labour matters (formed under the provisions of the Law)<sup>15</sup> that will study them and send recommendations to the Minister of Labour on them as well as form a technical committee that will follow up on the recommendations<sup>16</sup>. The contents of these reports will specify the following:
  - The date that the flexible working system was started.<sup>17</sup>







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 $<sup>^{\</sup>rm 10}$  An unofficial translation of Article 5 of Flexible Labour Regulation.

<sup>&</sup>lt;sup>11</sup> An unofficial translation of Article 10 of Flexible Labour Regulation.

<sup>&</sup>lt;sup>12</sup> An unofficial translation of Article 8 of Flexible Labour Regulation.

<sup>&</sup>lt;sup>13</sup>An unofficial translation of Article 5 of Flexible Labour Regulation.

<sup>&</sup>lt;sup>14</sup> An unofficial translation of Article 12 of Flexible Labour Regulation.

<sup>&</sup>lt;sup>15</sup> An unofficial translation of Article 12 of Flexible Labour Regulation.

<sup>&</sup>lt;sup>16</sup> An unofficial translation of Article 11 of Flexible Labour Regulation.

<sup>&</sup>lt;sup>17</sup> An unofficial translation of Article 12 of Flexible Labour Regulation.



- ii) The forms of flexible work that is practised. 18
- iii) The number of permanent workers at the establishment.<sup>19</sup>
- iv) The number of workers who are subject to the Regulation.<sup>20</sup>
- v) The procedures to be taken in order to convert a regular labour contract into a flexible labour contract.<sup>21</sup>

The wage of an employee with a flexible labour contract is to be determined in accordance with the general amount of work or the amount of work performed during one month's time. This is conditional on the determined wage not falling below the minimum wage in the Kingdom.<sup>22</sup> The annual vacation days, annual sick days and other leaves (days off) of an employee with a flexible labour contract will be based on a percentage of the working hours performed by the employee.<sup>23</sup> Notwithstanding the aforementioned statement, an employee

under a flexible labour contract is privy to the entirety of the rights possessed by an employee who is under a conventional labour contract and the Law – unless any contract or regulation providing better rights for the employee.<sup>24</sup>

# **Hybrid System Of Flexible Labour**

In addition to the types of flexible work previously mentioned, there is another option, that being the option of developing a hybrid system of work with the agreement of both the employee and the employer. In a hybrid system of work, the employee works remotely from home for a certain period of time, but also works at the office for the rest of the period of time. In this manner, the employee can enjoy the benefits associated with both working from home (such as reducing the time, cost of transportation and with a more relaxed working environment) and working from the office (such as for







<sup>&</sup>lt;sup>18</sup> An unofficial translation of Article 12 of Flexible Labour Regulation.

<sup>&</sup>lt;sup>19</sup> An unofficial translation of Article 12 of Flexible Labour Regulation.

<sup>&</sup>lt;sup>20</sup> An unofficial translation of Article 12 of Flexible Labour Regulation.

<sup>&</sup>lt;sup>21</sup> An unofficial translation of Article 12 of Flexible Labour Regulation.

<sup>&</sup>lt;sup>22</sup> An unofficial translation of Article 6 of Flexible Labour Regulation.

<sup>&</sup>lt;sup>23</sup> An unofficial translation of Article 7 of Flexible Labour Regulation.

<sup>&</sup>lt;sup>24</sup> An unofficial translation of Article 9 of Flexible Labour Regulation.



easier/more direct client interactions or team work).

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In conclusion, flexible work is still a rather novel idea in the Hashemite Kingdom of Jordan (hereinafter referred to "Kingdom") even though the relevant regulation has been issued since 2017. While it is a concept that is active and in force in Kingdom, most employees and the employers are unaware of its practice in the Kingdom and, therefore do not employ it in a rather prominent frequency and manner. Its importance, however was greatly felt during the COVID-19 crisis, wherein a large number of the Kingdom's work force had to work remotely from home (as one of the forms of flexible work). As such, it is very important to be aware of the rules that dictate this form of labour and the form of the respective labour contract in order to better fit the needs of employees and employers as well as to better suit adapt to the conditions of society as a whole.

#### **Second: Collective Labour Contracts**

Articles 39 to 44 of the Law address the subject matter of a Collective Labour Contract. In the

same context, the Law defines a Collective Labour Contract and a Collective Labour Dispute through Article 2 of the Law, as follows: A Collective Labour Contract is: "A written agreement according to which the terms and conditions of work between the employer or the employer's association from one side, and the group of employees or their association from the other side are organized<sup>25</sup>". Through this definition, it can be deduced that conceptually the Collective Labour Contract enhances the negotiating position of the workers, as the workers together will form a group of persons, that is more difficult for the employer to dispense with, because they are an essential pillar in the production process, while it will be easier for the employer to negotiate with the workers individually, as it is possible for the employer to dispense with one or two workers, and the production process continues.

## **Parties to a Collective Labour Contract**

With reference to the definition of the Collective Labour Contract through Article 2 of the Law, that clearly identified the two parties of the Collective Labour Contract, being as follows: 1- the employer or the employers association being the first party,

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<sup>&</sup>lt;sup>25</sup> An unofficial translation of Article 2 of the Labour Law, which is drafted in Arabic.



where Article 2 of the Law defines as "Employers Association: The body which represents the employers", while 2- the group of employees or their association being the second party, where Article 2 of the Law defines as "Association: Any organization of employees established in accordance with the provisions of this law<sup>26</sup>".

# <u>Formalities in the Collective Labour</u> Contract

The Law through Article 39 stipulates that a Collective Labour Contract must be in writing, that there must be a minimum of three original copies of the contract, so that each party retains a copy of the contract, and that the third copy is kept in a special register at the Ministry of Labour, that can be accessed through this link <a href="http://www.mol.gov.jo/EN/Pages/Collective">http://www.mol.gov.jo/EN/Pages/Collective</a> Labor Contracts , in which a reader can find all the Collective Labour Contacts that are kept at the Ministry of Labour.

### **Duration of the Collective Labour Contract**

There are two types of the Collective Labour Contract: A Collective Labour Contract for a

limited period, and a Collective Labour Contract for an unlimited period.

The Law has set the maximum term for the Collective Labour Contract for the limited period not to exceed a period of three years, while the Collective Labour Contract for the unlimited period may be terminated after a span of two years. In the event that either of the parties of the Collective Labour Contract desires to terminate the Collective Labour Contract for the unlimited period, by sending a notice to another party at least one month prior to the date specified for termination, providing that the sender of this notice shall notify the Ministry of Labour with a copy thereof upon sending it.

It is worth mentioning, that if the Collective Labour Contract was terminated, by the expiry of its term, or by its termination by one of the parties, and there were negotiations to renew it, extend its term, or amend it, then its effect shall remain valid throughout the negotiations for a period not exceeding six months. Should the negotiations not end in an agreement during that period, then the contract shall be considered to have expired.

<sup>&</sup>lt;sup>26</sup> An unofficial translation of Article 2 of the Labour Law, which is drafted in Arabic.







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# **Settlement of Collective Labour Disputes**

As mentioned above, Article 2 of the Law defines a Collective Labour Dispute as follows: "Every dispute that arises between a group of employees or labour union on one hand and the employer or employer's association on the other hand about the application or interpretation of a collective labour contract or that pertains to the circumstances and conditions of work<sup>27</sup>". On this basis, the Collective Labour Dispute is conceivable and prospective. Therefore, the Law set a mechanism to settle any potential Collective Labour Dispute that may arise between the parties, which mechanism is as follows: -

1- Article 120 of the Law specifies that The Minister of Labour may appoint one reconciliation representative, or more to mediate in settling the Collective Labour Disputes, for the area that he specifies, and the period that they deem that is suitable to settle such dispute. Furthermore, Article 121/A & B of the Law specifies the commencement of action by the reconciliation representative once

the Collective Labour Dispute arises, that they shall start the meditation procedures between the two parties to settle that dispute and that if the dispute is settled by means of a collective or other agreement, the reconciliation representative shall retain a copy of the agreement ratified by both parties. However, if it becomes impossible to conduct negotiations between the parties to the dispute, or if the negotiations will not lead to a settlement of the that time, dispute at the reconciliation representative shall present a report to the Minister of Labour, including the reasons of dispute and the negotiations concluded between the two parties, in addition to the result that he has reached during a period exceeding twenty one days from the date of referring the dispute to him.

2- The Minister of Labour will endeavor to settle this dispute amicably, before resorting to forming a reconciliation council, where Article 121/C of the Law states that " If the Minister could not settle the dispute,

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<sup>&</sup>lt;sup>27</sup> An unofficial translation of Article 2 of the Labour Law, which is drafted in Arabic.



he shall refer it to a reconciliation council<sup>28</sup>".

As mentioned above, that in the event that the endeavors of the Minister of Labour were not successful to settle the dispute, then he/she shall refer the dispute to the reconciliation council which will be formed by the Minister of Labour in accordance with Article 121/C/ 1 & 2 that states "1- A president appointed by the Minister provided that he shall not have any relation to the dispute, trade unions or employers' associations. 2- Two members or more representing each of the employers or employees with equal numbers, each party shall appoint his representative in the council <sup>29</sup>".

3- Article 122 of the Law mentions the functions of the reconciliation council, which are as follows:

"A. If a labour dispute was referred to the reconciliation council, it shall exert its effort to settle the dispute in the manner it sees appropriate, if it could settle it completely or partially, then it shall present a report of that

to the Minister enclosed with the

signed settlement between the two parties.

B. If the reconciliation council has not reached a settlement for the dispute, it shall present the Minister a report including the reasons of dispute, and the procedures taken by the council to settle it, in addition to the reasons that have prevented its settlement as well as the recommendations it sees suitable in this regard.

C. In all cases, the council shall conclude the reconciliation procedures and provide its report of the result it has reached during a period not exceeding twenty-one days from the date of referring the dispute to it<sup>30</sup>".

4-If the endeavors of the reconciliation council were not successful to settle the dispute, then the Minister of Labour will refer this dispute to a labour court, where Article 124/A states that "If the reconciliation council could not settle the collective labour dispute, the Minister shall refer it to a labour







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<sup>&</sup>lt;sup>28</sup> An unofficial translation of Article 121/C of the Labour Law, which is drafted in Arabic.

<sup>&</sup>lt;sup>29</sup> An unofficial translation of Article 121/C/1&2 of the Labour Law, which is drafted in Arabic.

<sup>&</sup>lt;sup>30</sup> An unofficial translation of Article 122 of the Labour Law. which is drafted in Arabic.



court constituted by three regular judges appointed by the judicial council for this purpose upon the request of the Minister headed by the one having the higher degree, and it may be held in the presence of two of its members, in case of their disagreement, then the third judge shall be invited to participate in looking into the case and issuing a decision in its regards<sup>31</sup>".

In conclusion, it is clear that a Collective Labour Contract, has characteristics that distinguish it from an individual work contract in terms of formality and registration, since the individual work contract can be a verbal contract and it does not require registration, while the Collective Labour Contract requires to be in writing and registration in a registry kept with the Ministry of Labour.

The Labour Law states that a Collective Labour Contract of a limited duration cannot exceed three years, whereas the Civil Law specifies that a work contract holds a maximum duration of five years.

The method of settling a collective labour contract dispute involves escalation by seeking to settle the dispute initially in an amicable manner until it reaches the stage of referring the dispute to a labour court, constituted by three regular judges who are appointed by the judicial council. This method of settling the dispute is different from disputes arising from individual work contracts.

## Third: Diversity in The Workplace

## The right to work for disabled persons<sup>32</sup>

The Jordanian legislation considered the privacy of persons with disabilities, therefore, Article 3 of "The Law on the Rights of Persons with Disabilities No. 20/2017" has defined when a person could be considered a person with a disability, where Article 3 states the following:

"A. For the purpose of implementing the provisions of this Law, a person with a disability is defined as a person who has long-term physical, sensory, intellectual, mental, psychological or neurological impairment, which, as a result of







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<sup>&</sup>lt;sup>31</sup> An unofficial translation of Article 124/A of the Labour Law, which is drafted in Arabic.

<sup>&</sup>lt;sup>32</sup> Disabled person: people with health conditions or impairments

interaction with other physical and behavioral barriers, may hinder performance by such person of one of the major life activities or hinder the exercise by such person of any right or basic freedom independently.

- B. An impairment will be considered of a long-term nature according to Clause (a) of this Article if the impairment is not expected to disappear in at least (24) months from the date of commencement of treatment or of rehabilitation.
- C. Physical obstacles and behavioral barriers mentioned in Clause (a) of this Article include lack or absence of reasonable accommodation or accessible formats or accessibility, and also include individual behaviors and discriminative institutional practices on the basis of disability.
- d. Major daily activities mentioned in Clause (a) of this Article include the following:

- 1. Eating, drinking, administering, self-care, reading and writing.
- 2. Movement and mobility.
- 3. Interaction and concentration, expression and verbal, visual and written communication.
- 4. Learning, rehabilitation and training.
- 5. Work<sup>33</sup>"

Within this framework, pertaining to a person with disabilities the Jordanian Constitution stipulates through Article 6 (sub-article 1,3,5) the following:

- 1- "Jordanians shall be equal before the law with no discrimination between them in rights and duties even if they differ in race, language or religion.
- 3- The State shall ensure work and education within the limits of its possibilities, and shall ensure tranquility and equal opportunities to all Jordanians.
- 5- The law protects the rights of persons with disabilities and promotes their rights, participation and integration in

<sup>&</sup>lt;sup>33</sup> An unofficial translation of the Article 3 of "the Law on the Rights of Persons with Disabilities No. 20 for the Year 2017", which is drafted in Arabic.









various aspects of life. Moreover, the law protects motherhood, childhood and old age, takes care of youth and people with disabilities, and protects them from abuse and exploitation<sup>34</sup>".

Moreover, the Law imposes a requirement on the employer to hire individuals with disabilities. This obligation is outlined in Article 13 of the Law, which stipulates the following:

"The employer shall hire the percentage of workers with disabilities specified in the Law on the Rights of Persons with Disabilities in force and in accordance with the conditions contained therein, and shall send to the Ministry a statement specifying the jobs occupied by persons with disabilities and the wages of each of them<sup>35</sup>".

Accordingly, Article 25 of the Law on the Rights of Persons with Disabilities stipulates that "a. No person may be excluded from employment or from training on the basis of, or because of, disability. Disability in itself should not be considered a barrier for preventing candidacy for holding or assuming a

position or job and for retaining such position or job and attaining promotions therein.

- b. It is forbidden for announcements of employment or job vacancies or forms related to candidacy or occupancy thereof to include provisions on the requirement to be free from disability.
- c. Both of the Ministry of Labour and Vocational Training Corporation will, each according to their area of competence and in coordination with the Council, execute the following:
- 1. Include into the policies, strategies, plans, and programs of work, technical and vocational education and training and related curricula measures that will guarantee the inclusion of persons with disabilities, and will secure utilization thereof on an equal basis with others.
- 2. Prepare the curricula and services extended within the vocational training programs and provide such services in formats accessible to persons with disabilities in a manner that enables







<sup>&</sup>lt;sup>34</sup> An unofficial translation of Article 6 (1,3,5) of the Jordanian Constitution, which is drafted in Arabic.

 $<sup>^{35}</sup>$  An unofficial translation of Article 13 of the Labour Law, which is drafted in Arabic.

them to benefit from such programs and services.

- 3. Refrain from excluding persons with disabilities from training in any profession after accommodations have been made because of disability.
- d. Both government and nongovernment authorities will provide reasonable accommodation to enable persons with disabilities to carry out their job or tasks and to retain their jobs and attain promotions therein.
- e. Without undermining work or job requirements related to educational or professional qualifications, government and non-government organizations with at least (25) employees and workers and no more than (50) employees each pledge to hire at least one employee with disabilities to fill out one of its vacancies. In the event that there are more than (50) employees hired by these organizations, (4%) of the relevant vacancies should be assigned to persons

with disabilities, according to a decision made by the Ministry of Labour.

f. Non-government organizations are required to send information regularly on the number of persons with disabilities hired as employees and workers, the nature of the positions and jobs that they occupy, the salaries and wages they receive, and the reasonable accommodation provided to them<sup>36</sup>.

It is evident from this context that Jordanian law has established a legislative framework aimed at ensuring the prevention of all forms of discrimination against persons with disabilities, especially in the workplace.

# <u>Prohibition of hiring based on sectarian</u> <u>grounds</u>

As mentioned above, the Jordanian Constitution stipulates through Article 6/1 that "Jordanians shall be equal before the law with no discrimination between them in rights and duties even if they differ in race, language or religion<sup>37</sup>". It is understood from this







<sup>&</sup>lt;sup>36</sup> An unofficial translation of the Article 25 of "the Law on the Rights of Persons with Disabilities No. 20 for the Year 2017", which is drafted in Arabic.

<sup>&</sup>lt;sup>37</sup> An unofficial translation of Article 6 (1) of the Jordanian Constitution, which is drafted in Arabic.



text that the employer should not rely on sectarian grounds when they desire to hire an employee. Furthermore, Article 150 of the Penal Code of 1960 considered that the stirring up of strife constitutes a crime which harms national unity and the coexistence between the nation's elements, as it states that "any writing or speech that aims at or results in stirring sectarian or racial prejudices or the incitement of conflict between different sects or the nation's elements, such act shall be punished by imprisonment for no less than one year and no more than three years and a fine not to exceed two hundred dinars (JD200)38".

Accordingly, and in the event that the job seeker is asked to disclose their ethnicity, religious affiliation, or sect, it may be understood that employment will depend on sectarian basis. Hence, it is advisable for employers to refrain from inquiring about such matters when scouting employees.

## **Equal wages for men and women**

As mentioned above, the Jordanian Constitution stipulates through Article 6/1 that "Jordanians shall be equal before the law with no discrimination between them in rights and duties even if they differ in race, language or religion<sup>39</sup>". Furthermore, Article 6/6 states that "the State quarantees the empowerment and support of women to play an active role in building society in a way that guarantees equal opportunities on the basis of justice and equity and protects them from all forms of violence and discrimination<sup>40</sup>". The desire of the Jordanian Constitution to combat all forms of discrimination against women is evident here. Therefore, to translate the provisions of the Constitute in practical application, the Labour Law came to recognize equality in wages between male and female employees. We find that the Law defines discrimination in wages in Article 2 as "the inequality among workers for all work of equal value without any discrimination based gender<sup>41</sup>". Moreover, the Law







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 $<sup>^{38}</sup>$  An unofficial translation of Article150 of the Penal Code of 1960, which is drafted in Arabic.

<sup>&</sup>lt;sup>39</sup> An unofficial translation of Article 6 (1) of the Jordanian Constitution, which is drafted in Arabic.

<sup>&</sup>lt;sup>40</sup> An unofficial translation of Article 6 (6) of the Jordanian Constitution, which is drafted in Arabic.

<sup>&</sup>lt;sup>41</sup> An unofficial translation of Article 2 of the Labour Law, which is drafted in Arabic.



through Article 53 stipulates that "the employer shall be penalized by a minimum fine of five hundred Dinars and not exceeding one thousand Dinars for every incident wherein a payment below the minimum wage established to the wages is made to a worker or any discrimination in wages based on gender in addition to passing judgment in favor of the worker on the wage difference. The penalty shall be doubled whenever the violation is repeated<sup>42</sup>".

The aforementioned wording confirms that according to Jordanian law, there are two legally recognized genders: male and female. Any identities outside of that concept are not acknowledged by Jordanian legislators.

In conclusion, the Jordanian Constitution prohibits discrimination between Jordanians based on disability, gender, or any other sectarian factor. In some cases, there are financial fines and imprisonment for any person or entity that contravenes the Constitution.

#### **Fourth: Startups**

It is clear to us today that the term "Startup" is recognized as an important concept in the field of entrepreneurship and innovation, where it is referred to any project that is launched by entrepreneurs who are looking forward to developing a product or service that they believe is in dire need in the market, or that it may provide an effective solution to a problem, and thus, meet a growing demand in the market. In light of this, as startups, it is known that they will more likely start with a limited amount of capital, in addition to the large costs incurred due to establishment, registration, and any other costs in relation. As a result, one of the most significant obstacles that the startup may encounter, especially in its early stages, is employing a big number of people, that may constitute a burden on its shoulders.

Moreover, even though the initial phases for a startup is usually considered a sensitive phase that requires a number of high-quality staffs that will contribute effectively in the startup's advancement, the attempt to promote a startup with

<sup>&</sup>lt;sup>42</sup> An unofficial translation of Article 53 of the Labour Law, which is drafted in Arabic.







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little money needs to be dealt with care and good experience. In the case beforehand, the company usually has two options: either the company resorts signing limited and unlimited employment contracts with employees that elaborates clearly the contractual relationship between the startup and its employees. Secondly, the startup has an option to sign part-time or full-time consultancy contracts with its service providers on a in return of an incentive. Accordingly, we believe that it is better to establish a mechanism with which there is a limited number of employees due to insufficient financial resources (as a startup in its early stages), so that this will lead to avoidance in any legal obligations that may arise on the startup through signing consultancy contracts instead of signing employment contracts. Whereas, signing employment and unemployment contracts with employees will necessarily arrange for the company to include employees in social security, which incurs additional financial costs for the emerging company that exceed its ability to bear during the

formation stage, in addition to other labour rights that will result in the interest of everyone who meets the description (worker). Therefore, for the avoidance of doubt, we usually advise startups at the stage of signing contracts consultancy contracts to ensure that they are formulated in a way that denies the existence of the elements of supervision and dependency, which are the two most important conditions for the purposes of considering the signed contract as either an employment or unemployment contract.

#### Conclusion

Within this newsletter, we have explored several notions regarding the Jordanian labour law. These concepts can be succinctly summarized as follows: flexible work in Jordan under the regulation, collective labour contracts, and diversity in the workplace. Furthermore, the topic of Startups has been discussed.







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Warm regards,

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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 the late Professor Mohammad Hammouri. 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 more than 30 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 for 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, Securities 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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