

Welcome to Part 2 of our thirty-eighth edition of our newsletters. In this edition, we will discuss the remaining of the most prominent revisions made to the new Traffic Law No. (49) for the Year of 2007 (hereinafter referred to as the “**Traffic Law**”) by the law amending the Traffic Law No. (18) for the Year of 2023 (hereinafter referred to as the “**Amending Law**”) and the most prominent penalties that were increased in severity in the Amending Law, as follows:

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*““As a result of disregarding traffic rules and not enforcing them, we lose every day one of our children and the best of our youth. We must all confront this phenomenon with firmness and responsibility.”*

*(His Majesty King Abdullah II Ibn Al Hussein - April 17, 2014)*

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## SECTION A: A GLIMPSE INTO JORDANIAN LEGISLATION

In this edition, the amended Traffic Law

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### First: The Most Prominent Provisions of The Amending Law

1) The Jordanian legislator removed article (27) of the Traffic Law and replaced it with the following article:

A. Despite what is stated in article (343) of the Penal Code, if the driver causes the death of a person or causes permanent disability to him/her, he/she shall be punished by imprisonment ranging between three months to three years or by a fine from (1,000) one thousand dinars to (2,000) two thousand dinars, or by both of those penalties. The court will suspend the driving license for a period of no less than six months and of no more than two years.

B. 1- The court may waive the personal right to reduce the punishment stipulated in paragraph (A) of this article, provided that the decision is fully justified.

2- The court may not consider dropping the personal right if the person who caused the accident was under the influence of alcoholic beverages, drugs, or psychotropic

substances or was driving the vehicle without a license or with a license for a category that does not entitle him/her to drive it in accordance with the provisions of this law.

3- Despite what is stated in this law, the driver will not be criminally prosecuted if the action of the injured party was the main reason for the accident.

This article is one of the most important articles included in the Amended Law, through which the legislator was keen to protect the lives and physical health of citizens. Anyone who causes the death of a person or who causes a permanent disability/disfigurement is under the possibility of having his/her driver's license suspended due to the legislator's keenness to protect citizens and to ensure the achievement of public and private deterrence in society. The text of the aforementioned article also included a heavier /more severe punishment in terms of not considering the forfeiture of the personal right for the purposes of reducing punishment if the person causing the harm was under the influence of alcohol, psychotropic substances or other substances. This helps prevent the prevailing



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social customs in the Jordanian society from interfering in trying to prevent those who are reckless with the lives of citizens from being held accountable.

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The legislator also took into consideration cases in which the driver had no hand in the accident. We believe that this text has achieved justice for drivers and that this amendment will be of assistance in cases where run-over accidents are fabricated. Such a text will also help reduce pedestrian negligence in following the traffic rules necessary to cross the streets in safety and security.

2) The Jordanian legislator abolished article (28) of the Traffic Law and replaced it with the following text:

A - Whoever commits any of the following violations shall be punished by imprisonment for a period of no less than one month and no more than three months or by a fine of no less than (150) one hundred and fifty dinars and no more than (300) three hundred dinars:

- 1- Allowing others to use a driver's license, driver's permit, training permit, or vehicle seizure notice.
- 2- Using another person's driver's license, driver's permit, training permit or vehicle seizure notice.
- 3- Illegal use of vehicle plates or vehicle license.
- 4- Replacing oneself with the driver who committed a traffic accident that resulted in material damage.
- 5- Using lanes designated for public transportation without their vehicle being an authorized vehicle.

3) The Amended Law punishes by way of imprisonment for a period of no less than one month and no more than two months or by a fine of no less than (100) dinars and no more than (200) dinars, or by both penalties in the event of committing the following acts:

- Driving a Jordanian public vehicle with a foreign or international driving license.
- Throwing or spilling vehicle loads on the road and in unauthorized locations, such as stones, dust, construction waste, domestic and industrial wastewater, waste, liquid materials or other materials.



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- Using the vehicle for purposes or reasons other than those for which it is licensed, including transporting passengers in rental vehicles and transporting solid or liquid materials or waste in vehicles not licensed for this purpose.
- Driving public passenger vehicles or those designated for transporting students or vehicles transporting dangerous materials without obtaining a special permit or in a manner that violates or exceeds the conditions of the permit.
- Installing or using a hazard alert or multi-sound device for vehicles other than those authorized to do so.
- Not securing containers with safety chains or locks designated for this purpose on freight vehicles.

4) The Amended Law imposes a penalty of imprisonment for a period of no less than one month and no more than two months or a fine of no less than (200) dinars and no more than (300) dinars, or both of those penalties in the event of committing the following violations:

- Driving a vehicle without brakes or without working brakes.

- Driving a vehicle without front and rear number plates.
- Driving a vehicle in a reckless or showoff manner on the roads.
- Driving through a red light.

5) The Amended Law stipulates a fine of (50) dinars for anyone who uses a mobile phone while the vehicle is in motion if this phone is hand-held.

6) The Amended Law imposes on anyone who drives a vehicle at a speed exceeding the prescribed limit if that excess is more than (50) km/hour, a penalty of imprisonment for a period of no less than one month and no more than three months, or a fine of (100) dinars, or both of these penalties.

7) Adding the following cases to article (37) related to imposing a fine of (20) dinars for any of the following violations:

- Parking or leaving the vehicle at the head of a curve.
- Driving a vehicle without taking the necessary traffic safety precautions.
- Parking the vehicle at accident sites without a justified reason.



- Failure to use a car seat belt for front-seat passengers in the vehicle in contravention of regulations and instructions.

5 8) The Amended Law stipulates a financial punishment of (15) dinars for committing any of the following violations:

- The vehicle's structure is not suitable.
- Parking the vehicle in spaces designated for vehicles of people with disabilities.
- The driver does not use car seats designated for children under four years of age.
- Pedestrians crossing the road in places that are not designated for this purpose, although they are available there.

### Third: The Most Prominent Penalties That Were Increased In Severity By The Traffic Law

- 1) The Amended Law raised the punishment imposed for committing the acts stipulated in article (24) of the Traffic Law and which are stated in paragraph (3) of section (Second) above, by amending the maximum limit of the penalty specified of (48) hours to be changed to a period ranging from (24) hours to (30) days.
- 2) The Amended Law doubled the value of the fine imposed for repeating any of the

violations stipulated in article (26) of the Traffic Law within one year from the date of its occurrence, and related to committing the following acts:

- A. The owner of the shop or repair shop who repaired a vehicle damaged in a traffic accident without informing the official competent authorities about it in accordance with the instructions issued in this regard.
- B. Whoever illegally harbors any vehicle or part thereof, whether working or not working, with the intention of selling it or disposing of it, without the permission of its owner or legally authorized person.
- C. Whoever claims the occurrence of a traffic accident proven by a judicial ruling to be premeditated or intentional.
- D. Whoever agrees to replace themselves with the driver who committed the traffic accident that resulted in damage to others.
- E. A driver who flees the scene of an accident he/she committed that caused damage to another person, or fails to inform the nearest security station or police patrol of the traffic accident he/she committed.

F. Driving the vehicles stipulated in clause (5) of paragraph (C) of article (3) of the law on the road or a highway.

- 3) The Amended Law also doubled the value of the fine imposed on committing repeatedly any of the violations stipulated in article (28) of the Traffic Law within one year from the date of its occurrence, which are the violations set forth in paragraph (8) of section (Second) above.
- 4) The Amended Law increased the penalty for the driver of a vehicle using a phone while the vehicle is in motion if the mobile phone was hand-held, which was previously (15) dinars and which has now been increased to (50) dinars. That is to say that it has been increased by more than double.
- 5) The Amended Law increased the punishment for not using a seat belt for front-seat passengers in a vehicle, in violation of regulations and instructions, which was previously (15) dinars and which has now been increased to (20) dinars.
- 6) The Amended Law increased the punishment imposed for committing the acts stipulated in paragraphs (9) and (10) of section (Second) above, in the event that the acts are repeated within one year of their occurrence.

7) The Amended Law doubled the punishment imposed on speeding violations in the event of repeating the violation within one year of its occurrence.

8) The Jordanian legislator doubled the punishment for a violation of crossing a red traffic light, as previously stated. In addition to imposing a special penalty on the driver for children under the age of (4) years for not wearing a seat belt. This is to ensure maximum protection for children from the consequences of traffic accidents.

### Conclusion

The second half of this edition dealt with the remaining most prominent amendments that the Amended Law has made to the Traffic Law and shed light on the most important violations and actions committed by the Jordanian society in general and on a repeated basis.

This edition also discussed the cases in which the Amended Law doubled the financial penalties, in addition to explaining the most important of the additional and new acts that would constitute a violation.

We have highlighted the most prominent provisions of the Amending Law regarding cases



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7 of death resulting from traffic accidents and cases of the criminal prosecution of the driver based on the person who caused the accident and we have referenced the cases in which the court has the right to waive the personal right to reduce the punishment and vice versa.

In this edition, we have concluded that amending the Traffic Law in its current form was an urgent necessity in order to reduce violations that threaten the lives and safety of individuals and to provide safe roads for citizens in the Kingdom.

## SECTION B: START UPS & SMES

### In this edition, Simple Agreement For Future Equity ("SAFE") & Keep It Simple Security ("KISS")

In the 38th edition of Hammouri & Partners' Newsletter, we have briefly shed light on convertible notes as one of the means to raise funds by startups in their early stages. We also highlighted how popular convertible notes are with seed investors and startups, because they provide them with more flexibility than they might otherwise have with other tools of a similar nature. However, convertible notes have

few alternatives with slight differences amongst them that may be more convenient for both investors and startups and which serve the same purposes, namely SAFE and KISS notes, which will be discussed in detail in the next few paragraphs.

First off, a "Simple Agreement for Future Equity" note, also known as "SAFE", is an investment instrument that helps entrepreneurs to raise capital for their early-stage startups, while, it offers investors the right to convert their funds into equity. SAFE note also allows both startups and investors to postpone any valuation discussions until a future financing round, which offers error-free valuation based on the financial conditions and the startup's performance.

Moreover, there are four main types of SAFE notes, namely "(i) cap, no discount; or (ii) discount, no cap; or (iii) cap and discount; or (iv) most favored nation: no cap no discount". However, there are two key components that determine what type of SAFE is being used by the contracting parties, and they are as follows, (a) valuation cap and (b) discount rate. According to Forbes Media L.L.C, valuation cap "is the highest valuation at which the amount



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invested in the SAFE would be converted into shares". It also defines the discount rate as being "the discount off the price per share paid by new investors in the equity financing".

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Moving swiftly on, another alternative to convertible notes is the "Keep It Simple Security", or so referred to as "KISS", which is an agreement between investors and startups that enables the latter to increase their capital in exchange of offering investors the right to purchase shares in a future equity round when it occurs, which makes KISS relatively close to both convertible and SAFE notes. However, KISS note is seen by both the investor and the startup as a hybrid since it combines the simplicity of a SAFE note, but it still includes the investor's rights that can also be found in convertible notes.

Like convertible notes, KISS has an accrued interest at a fixed rate of (5%), which shall be repaid by the startup along with the principal amount of the note. Moreover, KISS notes also

include a maturity date after which the investor will have the right to convert the fund into equity in the startup.

In conclusion, to decide between a SAFE and a KISS note is a matter that is governed by the financial and legal circumstances of the contracting parties. For instance, startups usually prefer to choose SAFE as it provides them with the flexibility to design a simple agreement that eliminates the debt-like characteristics of a convertible note, such as the interest accrued and maturity date, thereby simplifying the early stage financing for them and postponing the burden of converting the fund into equity until a later stage. Investors on the other hand, may find KISS more appealing to them in terms of safeguarding their rights, as it offers an accrued interest [as shown above], and has a maturity date after which the investor may convert the underlying investment amount.



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

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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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