

Welcome to the thirty-eighth edition of our newsletters. In this edition, we will discuss the new Traffic Law No. (49) of 2007 (hereinafter referred to as the “**Traffic Law**”) and the law amending the Traffic Law No. (18) of 2023 (hereinafter referred to as the “**Amending Law**”), the most prominent justifications that called for its issuance and the most prominent amendments it contains, as follows:

Topic	Page Numbers
<b>SECTION A: A Glimpse into Jordanian Legislation – the Amended Traffic Law</b>	
• Introduction	Page 2
• First: Justifications for Amending The Traffic Law	Pages 3 - 4
• Second: The Most Prominent Provisions of The Amending Law	Pages 4 - 8
• Conclusion	Pages 8 - 9
<b>SECTION B: Start Ups &amp; SMES</b>	
• Convertible Notes	Pages 9 - 10

*“Traffic crises have become a problem that threatens the comfort of citizens and their ability to move freely and easily. Traffic accidents also claim the lives of innocent people and sow sadness in the homes of citizens. This requires full cooperation with various institutions to reach a comprehensive traffic strategy that reduces congestion in the streets of our cities and reduces traffic accidents, as the lives of Jordanians are the most precious thing we have. The start of this is by respecting the applicable laws and regulations, implementing them firmly and developing them quickly in accordance with constitutional channels and raising the efficiency of those in charge of enforcing the law.”*

**(His Majesty King Abdullah II; extract from a letter addressed To The Director of The Public Security Directorate, on 11/09/2022)**

Jordan, Amman, Shmeisani,  
Al Sharif Naser Bin Jamil Street, Cairo  
Amman Bank Building, # 96, 2<sup>nd</sup> & 3<sup>rd</sup>  
Floor

+962 6 569 1112

info@hammourilaw.com

Hammouri & Partners Attorneys at-Law  
©2023

## SECTION A: A GLIMPSE INTO JORDANIAN LEGISLATION

In this edition, the amended Traffic Law

2

### Introduction

On the 17<sup>th</sup> of August 2023, a Royal Decree was issued approving the law that amended the Traffic Law, which entered into force on the 12<sup>th</sup> of September 1 2023.

As a result of the increase in the number of traffic accidents in the Hashemite Kingdom of Jordan (hereinafter referred to as the “**Kingdom**”) and the increase in deaths and/or serious injuries and/or material losses resulting from these accidents and the inability of the provisions of the previous version of the Traffic Law to implement public and private deterrence which fulfil the purpose behind criminal accountability; it was necessary to make amendments to address the imbalance resulting from the individuals’ failure to comply with the provisions of the law and their violation of it in addition to the urgency and necessity to develop the traffic policies followed in the Kingdom to ensure the preservation of the lives of citizens,

which are the most precious thing we possess, as stated by the late King Al-Hussein bin Talal.

Approximately 25 articles of the Traffic Law have been amended. At times, the legislator introduced new penalties into the Traffic Law, and, at other times, it increased the penalties for committing many acts, in a way that ultimately achieves uniform traffic safety rules, to the extent feasible.

The amendments and additions made to the Traffic Law varied, generally covering topics of great importance, including:

- Traffic accidents
- Traffic violations
- Vehicle specifications
- Permits and licenses related to vehicles
- Cases for seizing vehicles
- Cases for revoking a license
- Cases for terminating a license
- Repeated violations
- Driving violations that relate to individuals or speed or others

We will explain the most important justifications for amending the Traffic Law, shed light on the most important new texts



Jordan, Amman, Shmeisani,  
Al Sharif Naser Bin Jamil Street, Cairo  
Amman Bank Building, # 96, 2<sup>nd</sup> & 3<sup>rd</sup>  
Floor

+962 6 569 1112

info@hammourilaw.com

stipulated in the Amended Law, and then take a look at the penalties that have been increased, as follows:

### 3 First: Justifications for Amending The Traffic Law

The Hashemite Kingdom of Jordan has witnessed a noticeable increase in the number of traffic accidents and its consequences of

human and material losses. The total number of human injuries resulting from traffic accidents has reached (11,510) injuries, according to the statistics shown in the annual report issued by the Directorate of Public Security regarding traffic accidents in the Kingdom for the year (2022) and as per the detailed table shown in this regard, as follows<sup>1</sup>:

Type of Accident	Accidents That Caused Injury According to The Type Of Accident	Accidents That Caused Injury According To The Severity Of The Accident			
		Accidents That Resulted in Small Injuries	Accidents That Resulted in Medium Injuries	Accidents That Resulted in Severe Injuries	Accidents That Resulted in Deaths
Collision	6844	3755	2766	192	131
Running Over	3847	1437	1964	279	167

<sup>1</sup> The annual report issued by the Public Security Directorate and published on the Directorate's official website: <https://www.psd.gov.jo/ar-jo/%D8%A7%D9%84%D9%85%D8%AD%D8%AA>

<https://www.psd.gov.jo/ar-jo/%D9%88%D9%89/%D8%A5%D8%AD%D8%B5%D8%A7%D8%A6%D9%8A%D8%A7%D8%AA-%D8%B1%D9%82%D9%85%D9%8A%D8%A9/>

Jordan, Amman, Shmeisani,  
Al Sharif Naser Bin Jamil Street, Cairo  
Amman Bank Building, # 96, 2<sup>nd</sup> & 3<sup>rd</sup>  
Floor

+962 6 569 1112

info@hammourilaw.com

Recklessness	819	204	502	51	62
Total	11510	5396	5232	522	360
		11510			

4

Due to the large impact of accidents, which threatens the safety of individuals and of their property, it was necessary to sound the alarm for awareness of those incidents. This prompted the legislative authority and the concerned authorities, led by the Public Security Directorate, to participate in developing a draft law amending the Traffic Law, which culminated in a Royal Decree to approve it as the law amending the Traffic Law.

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

1) The Amending Law stipulates in article (7) that the Minister of the Interior has the authority, based on the recommendation of the Director of Public Security, **to suspend, seize or cancel a driving license or permit** if the following cases are true:

- If it is proven that the holder of a driving license/permit has provided **false certification, forged** documents, or provided **false information in order to obtain** this license/permit.
- If the holder of the license/driving permit is **proven** to have committed a **premeditated** or intentional **accident** by way of a **final court judgement**.
- If it is **proven** that the license holder committed an **accident** that resulted in the **death** of a person or permanent **disability/disfigurement** as a result of a **serious error** on the part of the license holder.
- **Repeated traffic accidents** caused by the license holder while **under the influence of alcohol, drugs, or psychotropic substances**.



Jordan, Amman, Shmeisani,  
Al Sharif Naser Bin Jamil Street, Cairo  
Amman Bank Building, # 96, 2<sup>nd</sup> & 3<sup>rd</sup>  
Floor

+962 6 569 1112

info@hammourilaw.com

5

The aforementioned article also gave the Minister of the Interior the authority to not issue a new license for anyone who drove a vehicle without a license or with a license whose category does not entitle him/her to drive it in accordance with the provisions of the Traffic Law, for a period of time that he/she deems appropriate.

With this amendment, we see that the Jordanian legislator has acted in the right direction because it has established a deterrent punishment for the aforementioned acts, as suspending, confiscating, or canceling the license is a sufficient means of deterrence to ensure that the act is not repeated by individuals. This significantly reduces the commission of the acts described above.

Article (8) of the Amending Law stipulates the addition of a new article that comprises the formation of a council called the Higher Council For Traffic Safety (hereinafter referred to as the “**Council**”) headed by the Minister of the Interior and with the membership of the Secretary Generals of the Ministry of the Interior, the Ministry of Local Administration, the Ministry of Public Works & Housing, the Ministry of Transport, the

Land Transport Regulatory Commission and the City Manager of the Greater Amman Municipality in addition to one of the assistant directors of Public Security that is designated by the later.

This addition of the new article serves for the following purposes:

- Having the aforementioned council being responsible for developing the national traffic safety strategy and its implementation plan.
- Establishing a traffic database to be able to provide traffic statistics, analyze them, find solutions to develop the traffic situation and recommend solutions to traffic problems.
- Studying the traffic impact on the road network that is comprised of the locations of facilities and buildings to reduce accidents and traffic congestion.
- Developing appropriate proposals to amend legislation related to traffic safety after studying and analyzing the data collected through the database mentioned in paragraph (2) above.



Jordan, Amman, Shmeisani,  
Al Sharif Naser Bin Jamil Street, Cairo  
Amman Bank Building, # 96, 2<sup>nd</sup> & 3<sup>rd</sup>  
Floor

+962 6 569 1112

info@hammourilaw.com

- Studying and making a decision regarding any matters related to traffic safety that are presented by the Council.

6

We believe that the formation of the Council is an important step on the right path to traffic reforms. There will be a visible and accurate mechanism to provide statistics related to traffic, to provide those concerned with information on accidents and areas of traffic congestion, and measure the effectiveness of legislative texts in achieving their desired objectives.

The development of legislation will be based on actual reasons and justifications that reflect reality and that meet the needs for development; that will result in developing applicable strategic plans with the required speed and efficiency to develop Jordanian roads from the start.

3) Article (24) of the Traffic Law was amended by being deleted and replaced with the text of an article imposing the punishment of impounding the vehicle for a period of no less than (24) hours

and no more than (30) days in the event of committing any of the following:

- If the vehicle is not registered in accordance with the provisions of the law.
- If the vehicle driver is not licensed to drive.
- If the public transport vehicle is being driven while the permit granted to it is suspended.
- Using the vehicle in cases and purposes other than for which it is licensed.
- Driving a public vehicle with a driver's license that does not fall under the categories permitted by law.
- Driving a vehicle in a showoff manner or recklessly on the road.
- Installing optical or audio devices that are not permitted.
- Driving the vehicle without front or rear plates or with forged or illegal plates.
- If three months or more have passed since the expiration of the vehicle's registration.



Jordan, Amman, Shmeisani,  
Al Sharif Naser Bin Jamil Street, Cairo  
Amman Bank Building, # 96, 2<sup>nd</sup> & 3<sup>rd</sup>  
Floor

+962 6 569 1112

info@hammourilaw.com

- Driving a vehicle that is required to be seized.
- Driving a vehicle from which petroleum derivatives or others or any environmentally polluting materials are spilled, without clearly placing warning and advisory signs on it, or without obtaining a permit to transport these materials.
- If the vehicle does not match its license's data.
- Driving the vehicle at night without using the front and/or rear lights.
- Driving the vehicle in the opposite direction on two-way streets.
- The movement of vehicles in convoys leads to obstruction of traffic, or passengers exiting those vehicles while they are moving, or their failure to follow the right lane.
- Using lanes designated for public transport by vehicles other than those authorized to do so.
- Transporting passengers in excess of the prescribed number in vehicles that transport students in schools, kindergartens and other educational

institutions contrary to the special instructions for those vehicles.

4) The amendment mentioned in the previous paragraph also included the addition of a provision related to **confiscating the vehicle's license and referring it to the Licensing Department** in any of the following cases:

- If the vehicle emits smoke or any other polluting materials whilst being driven in qualities exceeding what is specified in the instructions issued in this regard.
- Installing an amplifier on the vehicle's sound exhaust.
- Driving the vehicle without its front or rear lights or both.
- Refraining from installing, using, or the inability to use a vehicle movement recording device (tachograph) or any systems or devices related to monitoring and determining speed in accordance with the instructions issued in this regard.
- Placing any materials, additives, decorations or reflectors on vehicle number plates.



Jordan, Amman, Shmeisani,  
Al Sharif Naser Bin Jamil Street, Cairo  
Amman Bank Building, # 96, 2<sup>nd</sup> & 3<sup>rd</sup>  
Floor

+962 6 569 1112

info@hammourilaw.com

5) The Amended Law stipulates that Public Security officials have the **authority to arrest, without a warrant**, the driver of any vehicle who has lost control over its driving, in addition to confiscating his/her license, driving permit or training permit, in the event that he/she refuses to undergo an examination related to alcohol or any psychotropic substances, or if he/she has been consuming alcohol while driving.

All the actions mentioned in paragraphs (4) and (5) above lead to exposing citizens and their property to danger in the event that the driver or owner of the vehicle commits the violations stipulated in those articles. This prompted the Jordanian legislator to enact a punishment commensurate with the gravity of those acts to ensure the achievement of the main purpose of the Traffic Law which is to provide safe roads in the Kingdom and to protect the citizens and their property.

6) The Amended Law stipulates a punishment of imprisonment for a period of no less than one month and no more than three months or a fine of no less than (250) Jordanian dinars and no more than (500)

Jordanian dinars, or both penalties in the event of committing the following acts:

- Driving a vehicle that is not licensed to be driven with a first, second, or seventh category driving license.
- Driving a vehicle under the influence of drugs or psychotropic substances.
- Driving the vehicle in the opposite direction on two-way streets.
- Driving a vehicle at night without its front or rear lights on, in an unlit street.
- The vehicle's load protrudes from the front or rear by a distance of more than (100) cm without a permit or in violation of its conditions.
- Manufacturing vehicle number plates, regardless of their type or shape, outside the Licensing Department.
- The action of a shop owner, repair shop, or vehicle owner in replacing the front or rear part of the vehicle without obtaining prior approval from the Licensing Department and contrary to the instructions issued for this purpose.
- Manufacturing trailers and semi-trailers without obtaining prior approval or



Jordan, Amman, Shmeisani,  
Al Sharif Naser Bin Jamil Street, Cairo  
Amman Bank Building, # 96, 2<sup>nd</sup> & 3<sup>rd</sup>  
Floor



+962 6 569 1112



info@hammourilaw.com



issuing certificates of origin for manufacturing trailers and semi-trailers without actually manufacturing them.

- Tampering with vehicle number plates through scratching, inking, gluing, or any other method that leads to a change or confusion in reading the plate numbers.

## Conclusion

This edition dealt with the most prominent amendments that the Amended Law made to the Traffic Law and shed light on the most important violations and actions committed by Jordanian society in general and on a repeated basis.

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.

---

<sup>2</sup> are investors who come together to fund early-stage companies

## SECTION B: START UPS & SMES

### In this edition, convertible notes

It is no secret that raising funds is the main objective of any and all startups to get their business up and running. While there are numerous methods for startups to raise funds, yet one of the most popular methods that they seek to use to raise funds, is to attract seed investors<sup>2</sup> to invest in their business, most commonly via convertible notes, which allows startups to raise funds prior to offering equity funding.

According to Diligent modern governance platform, convertible notes are described as:

*“a way for seed investors to invest in a startup that isn’t ready for valuation. They start as short-term debt and are converted into equity in the issuing company. Investors loan money to the startup and are repaid with equity in the company rather than principal and interest. The convertible note is automatically changed into equity once a*



Jordan, Amman, Shmeisani,  
Al Sharif Naser Bin Jamil Street, Cairo  
Amman Bank Building, # 96, 2<sup>nd</sup> & 3<sup>rd</sup>  
Floor

+962 6 569 1112

info@hammourilaw.com

*specific milestone has been reached, usually when the company is officially valued for later investments”*

10 Convertible notes are very popular among seed investors and startups as it gives them greater flexibility than they might otherwise have using other similar tools. Whereby, on the one hand, convertible notes are considered beneficial for startups as it grants them the flexibility in paying back the debt they obtained from the seed investor, hence this allows them to focus on the methods that would allow their business to grow. On the other hand, seed investors benefit from the fact that they might get a big return on their investment, in the event that they were able to get an evaluation cap and a steep discount on the convertible notes, accordingly, they can end up with a lot of equity in return for a little price.

As the convertible note has benefits, it also has some disadvantages that should be considered by startups and seed investor before taking this step. An obvious example of such disadvantages occurs when the startup fails to raise funds in future rounds, ergo it may not be able to pay back the convertible note, and failing to do so, may subject the startup to file for bankruptcy. On the other hand, the seed investor will lose his/her money.

For the right startup and the right seed investor, convertible notes can be the most suitable choice. It can with no doubt give startups a method to get the funds needed without having to worry about any immediate obligations and payments, whereas the seed investor on the other side would benefit in the event that the startup was able to secure future rounds of funding.



Jordan, Amman, Shmeisani,  
Al Sharif Naser Bin Jamil Street, Cairo  
Amman Bank Building, # 96, 2<sup>nd</sup> & 3<sup>rd</sup>  
Floor



+962 6 569 1112



info@hammourilaw.com

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.

11

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,

**HAMMOURI & PARTNERS ATTORNEYS AT-LAW**



Jordan, Amman, Shmeisani,  
Al Sharif Naser Bin Jamil Street, Cairo  
Amman Bank Building, # 96, 2<sup>nd</sup> & 3<sup>rd</sup>  
Floor



+962 6 569 1112



[info@hammourilaw.com](mailto:info@hammourilaw.com)

## CONTRIBUTORS TO THE EDITION IN ENGLISH (Section A)

12



TARIQ M. HAMMOURI, Ph.D  
MANAGING PARTNER  
[tariq@hammourilaw.com](mailto:tariq@hammourilaw.com)



YOTTA PANTOULA-BULMER  
OF-COUNSEL, HEAD OF INTERNATIONAL DEPARTMENT  
[yotta.b@hammourilaw.com](mailto:yotta.b@hammourilaw.com)



ROZANA ALHROOB  
ASSOCIATE LAWYER  
[rozana.h@hammourilaw.com](mailto:rozana.h@hammourilaw.com)



Jordan, Amman, Shmeisani,  
Al Sharif Naser Bin Jamil Street, Cairo  
Amman Bank Building, # 96, 2<sup>nd</sup> & 3<sup>rd</sup>  
Floor

+962 6 569 1112

[info@hammourilaw.com](mailto:info@hammourilaw.com)

## CONTRIBUTORS TO THE EDITION IN ENGLISH (Section B)

13



OMAR ABU AYYASH  
HEAD OF SMES DEPARTMENT  
[omar.a@hammourilaw.com](mailto:omar.a@hammourilaw.com)



DUJANA TARAWNEH  
TRAINEE LAWYER  
[dujana.t@hammourilaw.com](mailto:dujana.t@hammourilaw.com)



Jordan, Amman, Shmeisani,  
Al Sharif Naser Bin Jamil Street, Cairo  
Amman Bank Building, # 96, 2<sup>nd</sup> & 3<sup>rd</sup>  
Floor

+962 6 569 1112

[info@hammourilaw.com](mailto:info@hammourilaw.com)

## CONTRIBUTORS TO THE EDITION IN ARABIC (Section A)

14



TARIQ M. HAMMOURI, Ph.D  
MANAGING PARTNER  
[tariq@hammourilaw.com](mailto:tariq@hammourilaw.com)



OMAR SAWADHA,  
SENIOR ASSOCIATE, HEAD OF  
LITIGATION  
[omar.s@hammourilaw.com](mailto:omar.s@hammourilaw.com)



WARDEH HASSAN  
ASSOCIATE LAWYER  
[wardeh@hammourilaw.com](mailto:wardeh@hammourilaw.com)



Jordan, Amman, Shmeisani,  
Al Sharif Naser Bin Jamil Street, Cairo  
Amman Bank Building, # 96, 2<sup>nd</sup> & 3<sup>rd</sup>  
Floor

+962 6 569 1112

[info@hammourilaw.com](mailto:info@hammourilaw.com)

## CONTRIBUTORS TO THE EDITION IN ARABIC (Section B)

15



OMAR ABU AYYASH  
HEAD OF SMES DEPARTMENT  
[omar.a@hammourilaw.com](mailto:omar.a@hammourilaw.com)



DUJANA TARAWNEH  
TRAINEE LAWYER  
[dujana.t@hammourilaw.com](mailto:dujana.t@hammourilaw.com)



Jordan, Amman, Shmeisani,  
Al Sharif Naser Bin Jamil Street, Cairo  
Amman Bank Building, # 96, 2<sup>nd</sup> & 3<sup>rd</sup>  
Floor

+962 6 569 1112

[info@hammourilaw.com](mailto:info@hammourilaw.com)

## 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.



Jordan, Amman, Shmeisani,  
Al Sharif Naser Bin Jamil Street, Cairo  
Amman Bank Building, # 96, 2<sup>nd</sup> & 3<sup>rd</sup>  
Floor

+962 6 569 1112

info@hammourilaw.com