

THE ROLE OF LEGAL AMENDMENTS RELATED TO INVESTMENT IN ATTRACTING FOREIGN INVESTORS IN JORDAN

Ahmad Alwashah¹, M. Driss El Zanati², Ahmad Albadawi³ & Saleh Alabadi⁴

¹Ph.D. student, University Mohammed V – Rabat, Morocco, Faculty of Legal, Economic and Social Sciences of Rabat.

²Ph.D. Professor, University Mohammed V – Rabat, Morocco, Faculty of Legal, Economic and Social Sciences of Rabat.

³Assistant professor of civil law, Amman Arab University, Jordan, Faculty of Civil Law.

⁴Ph.D. student, GIRNE AMERICAN UNIVERSITY, Jordan, Faculty of Business Management.

ahmed_alwashah@um5.ac.ma¹

d.elzanati@um5r.ac.ma²

A.albadawi@aa.u.edu.jo³

salehsuleimansaleh.alabaddi@std.gau.edu.tr⁴

Abstract The research clarified the role of legal amendments related to investment in attracting foreign investors according to the Investment Environment Law No. 21 of 2022. The research relied on the descriptive approach and the analytical approach to achieve the research objectives. The findings indicated that the Investment Environment Law No. 21 of 2022 includes a set of amendments aimed to improve the investment environment for foreign investors in Jordan, including equality the rights, freedoms, and duties of Jordanian investors with foreign investors, exemptions from customs duties and sales tax, subsidies for energy costs and protection of foreign investors from negative legislation. The results revealed that the updated law has yielded actual positive results. The number of projects that benefited from the amendments of the Investment Environment Law by August 2024 reached 254, including 153 new projects and 101 existing projects that were expanded.

Keywords Legal Amendments, Foreign Investors, Investment Environment Law No. 21 of 2022, Jordan

1 Introduction

Countries have witnessed significant economic openness in various economic, commercial, and service sectors. This enormous openness resulted from the modern technological revolution that has shortened distances between countries and enhanced means of joint cooperation in all areas (Al-Otaibi, 2025: 4). This openness has encouraged countries to attract foreign capital to invest within their territories and create job opportunities for their citizens, thus increasing the gross domestic product and added value (Al-Froukh, 2019: 116).

Foreign investment has become a basic requirement imposed in light of contemporary economic development, prompting many multinational companies to direct their investments to developed and developing countries (Bukša, T., Bukša, J. and Kosovac, 2022: 22). This has made it necessary for hosting countries to study the factors that influence the level of attracting foreign investment, including market size, geographical proximity, infrastructure, economic growth, and others (Haudi, Wijoyo and Cahyono, 2020: 4129). Zhang and Liu (2021: 113) stressed that foreign investors and economists should pay great attention to the rule of law in the host country and the level and respect for property rights therein, which can be considered among the most important factors influencing foreign investment decisions.

Like other countries seeking to develop their economic and investment components, Jordan has focused its development plans on changing the economic structure of investment and sought to attract foreign investment as a strategic development option (The Jordan Strategy Forum (JSF), 2023). Attractiveness efforts have focused on removing obstacles facing foreign investors to attract more investment, where making

amendments to the legal framework governing foreign investment are a requirement to support and stimulate investment in Jordan (Jordan News Agency, 2022).

In 2022, Investment Environment Law No. 21 was issued and went into force on January 23, 2023 (Investment Environment Law No. (21) of 2022). The law includes (53) legal articles that encompass a set of principles and legislation related to the general investment policy in Jordan, including investor rights and privileges, incentives, and exemptions for investors and investment projects (Investment Environment Law No. (21) of 2022). Foreign investors seek a suitable investment environment. The new law removes some provisions from the old law, which included reference to large and small investors, where the previous law defined investment projects costing more than 10 million dinars as large investment projects (Al-Jarrah, 2024).

Therefore, achieving the desired benefits from foreign investment requires timely action and multiple reforms aimed to enhance the potential benefits of foreign investment (Organization for Economic Co-operation and Development (OECD), 2022). The Jordanian government seeks to improve the investment climate and introduce legal and regulatory reforms that enhance competition, simplify taxation, and address shortcomings in the labor market. To enhance knowledge of the nature of the legal amendments and incentives included in the 2022 Foreign Investor Investment Environment Law, the current research aims to clarify the role of legal amendments related to investment in attracting foreign investors.¹

1.1 Research problem and questions

Weak levels of oversight and a lack of transparency in the investment environment contribute to the spread of corruption, thus preventing an environment conducive to attracting foreign investment. This weakness can also contribute to financial distress resulting from mismanagement and may contribute to make pressure on investors to take strict measures to protect their interests.

Jordan, in particular, has witnessed a significant decline in investment volume over the past decade and a half (The World Bank Group, 2024). These declines were linked to regional and international developments that directly impacted the investment and economic situation in Jordan (OECD, 2022), including the global financial crisis of 2008, the Arab Spring revolutions, the Russian-Ukrainian war, and, most recently, the war on Gaza. Data issued by the Central Bank indicated that Jordan has witnessed a significant decline in foreign direct investment (FDI). FDI reached its peak in 2006, but subsequently fluctuated and declined, reaching its lowest level in 2022, at JD600 million, according to the Central Bank (Al-Jarrah, 2024). This significant decline has prompted a need to investigate the underlying causes, where economic experts indicated that legislation may have played a direct role, as its provisions and repeated amendments have contributed to this outcome. This has prompted the government to draft a new law, which will hopefully regulate the investment environment and overcome the problems and obstacles facing foreign investors. As a result, the Investment Environment Law of 2022 was issued, which includes a set of laws and regulations related to local and foreign investment operations in various sectors.

Based on the above, this research problem is focused on examining the role of investment-related legal amendments of the Investment Environment Law of 2022 in attracting foreign investors. The problem can be summarized through the following questions:

1. What amendments does the Investment Law of 2022 offer to foreign investors in Jordan?
2. What are the future proposals to support foreign investment in Jordan?

1.2 Research importance

The importance of this research is highlighted by the topic it addresses, which is directly linked to supporting Jordan's economic performance. The weakness of the advantages that foreign investment laws may have a direct role in the collapse of investment institutions and the weakening of opportunities for foreign investment, thus declining the level of economic growth.

Theoretically, the topic addressed and analyzed by this research is considered a modern one, given the recent issuance of the Investment Environment Law, which includes legal amendments related to foreign investment. This law was issued in 2022 and officially came into force in 2023. The current research is considered one of the first academic researches on this topic, and thus contributes to providing the legal library with recent qualitative research that offers an analytical reading of the legal aspects related to foreign investment in the Hashemite Kingdom of Jordan and ways to enhance it.

From a practical perspective, this research addresses an important aspect of investment: the legal and legislative aspect, which aims to regulate foreign investment and links it to legal amendments related to attracting foreign investors. This will provide an important view of the legal foundations supporting investment and the legislative foundations that protect and encourage investors and their assets, thus contributing to the possibility of improving investment opportunities in Jordan.

2. Research method

This research relied on a set of approaches that enabled the researcher to achieve the specified research objectives, including a descriptive approach related to clarifying the theoretical aspects of foreign investment and foreign investors, and the nature of the legal amendments related to attracting foreign investors according to the Investment Environment Law of 2022. The researcher also relied on the analytical approach by analyzing foreign investment indicators in Jordan and the Articles of the Investment Environment Law of 2022. The researcher will focus on the legal amendments related to investment, reading and analyzing the legal texts related to the investment environment, and clarifying the role of these amendments in attracting foreign investment by clarifying the incentives provided by this amendment to foreign investors and clarifying any negative effects contributed to by the recently amended law.

3 Literature overview

The current section of the research includes a review of the theoretical literature related to the research topic and the legal texts related to the investment environment to provide a clear presentation of the research aspects that the research seeks to cover. The current section will discuss the concept and importance of foreign Investment and the definition of foreign investors and foreign investment according to the Investment Environment Law No. 21 in Jordan. After that, the section will highlight the most prominent amendments and changes included in the updated law, including the investment reference, the incentives and facilities and the guarantees provided to investors. All of these amendments will be highlighted according to the legal texts contained in the Investment Environment Law No. 21. The final part of this section will indicate to the role of the amendments and changes included in the updated law in attracting foreign investors which represents the core of the current research.

3.1 Foreign investment: concept and importance

Foreign investment refers to investment from outside a country through the transfer of foreign capital to the host country and its contribution to the establishment of new economic projects (Al-Qaniya, 2021: 80). This investment contributes to increasing the volume of international trade and transferring knowledge and technology from the investing country to the host country, thus enhancing the exchange of expertise and knowledge (Kastratović, 2020: 3145).

The importance of foreign investment stems from its direct role in developing the national economy. Therefore, countries compete to attract the largest possible number of foreign investments to improve their economic level and accelerate their integration into the global market (Perrone, 2022: 377). Foreign investment provides investors with numerous opportunities to benefit from the advantages and incentives offered by the host country, such as lower labor costs, obtaining economic and commercial licenses, and enhancing production efficiency.

Foreign investment is considered one of the most vital elements in the economic development process of host countries through its contribution to the spread of knowledge and expertise and its role in capital accumulation and the increase of the gross domestic product (Al-Dhaibani, 2023: 1594). Foreign investment also contributes to enhancing the level of transportation infrastructure in host countries, in addition to its significant role in enhancing employment opportunities, growing exports, and reducing the size of the trade deficit. Multinational companies that invest abroad are a key driver of competition and provide the host country with technical expertise and contemporary management skills (Kastratović, 2020: 3149). This means that these foreign investments are capable of improving the level of production and enhancing the performance of local companies in host economies.

Therefore, foreign investment is considered an important catalyst for the economic development of countries, thus granting the host country access to new markets, which in turn leads to increased productivity and efficiency of national economies through the creation of new activities or the expansion of existing ones.

3.2 Foreign investors and foreign Investment according to the investment Environment Law No. 21 in Jordan

The term 'foreign investor' refers to any investor who hails from a foreign country other than the host country, whether a natural person or a legal entity (Belova, Georgieva & Hristova, 2020: 193). If the foreign investor is a natural person, nationality is used as the legal and political link between the individual and the state. If the foreign investor is a legal person, it is usually a corporate entity, so the host country is free to rely on the criteria by which the foreign status of the foreign investor is determined.

In Jordanian law, Article (2) of Investment Environment Law No. 21 of 2022 defines an investor as: *"The Person who invests in the Kingdom in an Economic Activity in accordance with the provisions of the Law, whether he is a Jordanian or a non-Jordanian investor"*

Article (3/A) of Investment Environment Law No. (21) also stipulates equality between the rights, privileges, and duties of a foreign (non-Jordanian) investor and a local (national) investor, and that all shall be treated equally, transparently, and equitably².

The clarification of the concept of investment in Investment Environment Law No. 21 of 2022 is an important feature that was not available in the previous Investment Law No. 30 of 2014, which did not include a definition of investment. Article (2) of Law of 2022 defines investment as the establishment of an economic activity in the Kingdom. This establishment may include ownership, participation, development, or expansion. Article (2) states: *"The Investment: The establishment of an Economic Activity in the*

Kingdom, including ownership, partnership, development or expansion” (Investment Environment Law No. (21) of 2022).

Moreover, the Investment Environment Law of 2022 in Article (2) directly defines the concept of ‘economic activity’ and the elements it may encompass, including industrial, commercial, agricultural, service, tourism, information technology, or creative industry activities (Investment Environment Law No. (21) of 2022). Article (2) of the Law also clarifies that this economic activity does not include banking or professional activities regulated by special legislation³.

It is worth noting that the definition of economic activity represents a determinant of the activities that can be carried out as investment projects within Jordan, and the activities that do not fall within the scope of investment projects, and therefore are excluded from being described as investments.

3.3 The Prominent Amendments in Investment Environment Law No. (21) of 2022

The Investment Environment Law of 2022 represents an update and development of the old Foreign Investment Law, as it enhances the investment environment to attract more investments. This section of this research will highlight the most prominent amendments and changes included in the updated law and their role in attracting foreign investors.

First: Investment Reference

The Ministry of Investment has become the primary reference for investment in Jordan under the Investment Environment Law of 2022 according to Article (7/A) of the Investment Environment Law of 2022⁴. This amendment makes it easier for investors to deal with one specific entity instead of multiple entities.

Second: Incentives and Facilities

Investment incentives refer to the measures granted by the state to local or foreign investors to achieve specific objectives (OECD, 2024). The Investment Environment Law of 2022 offers a range of incentives and facilities for investors, including:

1. **Tax exemptions and reductions:** Taxes are one of the most prominent determinants of an investor's work in the country in which they will invest. Jordanian lawmakers have established certain tax exemptions for investors under the Investment Environment Law of 2022, and have also reduced some taxes in certain cases. The following explains the nature of the exemptions and reductions:
 - Article (10) of the Investment Environment Law of 2022 stipulates that investors are granted an income tax exemption or reduction of no less than 30% of the tax value. This exemption or reduction is valid for a specified period of five years from the project's operational date⁵. The Jordanian legislator stipulates a number of conditions for granting the exemption or reduction, including:
 - The project must be one that engages in economic activity in the least developed regions of the Kingdom⁶.
 - The project must employ at least 250 Jordanian nationals⁷.
 - Article 13 of the law provides tax and customs exemptions or reductions if the project employs at least 350 Jordanian employees⁸, or if the project employs at least 50% of Jordanian women, with no fewer than 50 female workers⁹.
 - Article (30/A/6) exempts handling vehicles equipped for ten or more people from sales tax¹⁰.
 - Article 32 of the law exempts buildings and facilities located in the free zone from building and land tax¹¹.

2. **Customs Exemptions:** The updated Investment Environment Law grants a set of customs exemptions to investment projects within Jordan, such as:
 - Fixed assets, production inputs and requirements, and spare parts, according to Article (9/A)¹².
 - Goods subject to tax when sold for consumption in the development zone. In this case, they are subject to the sales tax and customs duties in force in the Kingdom, according to Article (30/A/3)¹³.
 - Goods consumed in the development zone when consumed for the purpose of the registered enterprise carrying out the economic activity it conducts in the zone, according to Article (30/A/5)¹⁴.
 - Customs duties on materials, machinery, equipment, and building materials used in the construction and equipment of projects established in the development zone, according to Article (30/B)¹⁵.
 - Goods exported from the free zone to non-local markets, and materials imported for furnishing and equipping projects established by the registered enterprise in the free zone, according to Article (31/C)¹⁶.
3. **Preventing double taxation:** Double taxation is defined as the situation in which a taxpayer pays taxes at least twice. The updated Investment Environment Law prohibits any cases of double taxation. This is stated in Article (13/d)¹⁷, which obligates the Incentives and Exemptions Committee to review any case of double taxation.
4. Granting the investor, his family members, and all employees with him an investor identification card in accordance with Article (17/A)¹⁸. This card facilitates procedures for its holders with official authorities and procedures for entry and exit into the Kingdom.

Third: Providing Guarantees to Investors

Through the Investment Environment Law of 2022, the Jordanian legislator has been able to provide investors with a set of guarantees that are compatible with the requirements of the current era and are also consistent with the framework of guarantees provided by other countries to attract more foreign investment to Jordan. Guarantees refer to the measures granted by the host country to the investor to provide full protection for them and their investment, and reduce the risk they may face while working on their investment project (Lu, Chao & Sheppard, 2019: 7). A set of these guarantees can be explained through the following points:

1. Article (3/A) of the Investment Environment Law of 2022 stipulates equality between foreign and Jordanian investors in terms of the rights, duties, and obligations borne by each party¹⁹. This guarantee provides investors with reassurance and fair treatment without discrimination between investors. It also guarantees free competition for foreign investors.
2. Article (3/B) of the Investment Environment Law of 2022 provides for the full protection of the investor's project. This protection prohibits state interference in the investor's activities or interference in the investor's rights and interests, provided that these rights and interests fall within the legal recognition²⁰. This guarantee has contributed to creating a secure investment environment for the investor.
3. The Jordanian legislator has guaranteed investors speed and ease in their transactions with official entities in the Kingdom related to their commercial activity, as stipulated in Article (3/F) of the Investment Environment Law of 2022. This article refers to the digitization and automation of all procedures

- required by the investor in their investment activity, saving their time, effort, and money (Article (3/F) of the Investment Environment Law No. (21) of 2022).
4. The Jordanian legislator, through Article (5/A), grants foreign investors the possibility of investing in the Kingdom through more than one means, allowing them to participate in any existing activity, contribute to it, or own the entire project. Jordanian law provides this guarantee for all projects, but excludes certain projects and economic activities that are restricted by the legal text, prohibited from investment, or that include restrictions on the percentage of investment in Jordan²¹.
 5. In Article (5/B), the Jordanian legislator grants the investor the right to convert the official currency used in the Kingdom into any other currency that accepts conversion after lifting any restrictions the investor fears regarding the currency conversion process²². In the same article, paragraph (C) also grants the investor the right to quickly and immediately transfer profits without any delay, whether the delay occurs within or outside the Kingdom²³.
 6. Article (5/E) of the Investment Environment Law of 2022 allows investors to employ a percentage not exceeding 25% of their non-Jordanian workforce. This is subject to two restrictions: first, that the jobs employing this percentage of non-Jordanian workers be administrative or technical, and second, that these jobs have specialized skill requirements. In some cases, the law allows investors to increase the percentage from 25% to 40% in cases where Jordanian workers do not meet the job requirements²⁴. This allows investors to employ a significant percentage of foreign labor in their projects.
 7. The Jordanian legislator granted an important guarantee to the investor in Article (15/A) of the Investment Environment Law of 2022, related to protecting them from any change or amendment to the laws in force in the Kingdom during the conduct of their commercial activity that would have a negative impact on their activity. The Jordanian legislator allowed the investor to request exemption from the application of these laws, provided that the value of the investment is at least 5 million dinars, or that the investor employs no fewer than 250 Jordanian employees²⁵. This guarantee is considered one of the most important guarantees protecting the rights of the investor in light of the circumstances and challenges surrounding this environment.
 8. The Jordanian legislator granted the investor, in Article (45/A) of the Investment Environment Law of 2022, the right to choose the method of settling a dispute arising between him and the state. It also allowed the investor to choose the applicable law in arbitration proceedings (the Jordanian Arbitration Law, the UNCITRAL Rules of Arbitration, or the International Chamber of Commerce arbitration rules)²⁶.
 9. The Jordanian legislator has allowed the investor, in Article (16) of the Investment Environment Law of 2022, to continue any exemptions or benefits the project obtained under the old Investment Law No. (30) of 2014 until the expiration of the exemption or benefit period. If these exemptions or benefits are not limited to a specific period, the Jordanian legislator has granted the investor the right to benefit from them for a period of seven years from the date of implementation of the provisions of the Investment Environment Law of 2022²⁷.
 10. The Investment Environment Law of 2022 also stipulates, in Article (37/B) that the Ministry of Investment shall issue decisions within a period not exceeding 15 working days from the date of submission of the application, thus granting foreign investors the ability to expedite the processing of applications²⁸.

Moreover, the 2022 Investment Environment Law overcomes the problem of investors moving from one department to another to obtain approvals related to facility licenses. The amendment to the law allows investors to obtain a license from one place without a long wait²⁹. The Ministry of Investment also created a website that allows investors to view studies related to investment projects and investment in general, helping investors determine whether the investment environment is suitable for their project (Al-Jarrah, 2024).

4 The role of the Amendments in Investment Environment Law No. (21) of 2022 in attracting foreign investors

It is clear from discussing the Amendments in Investment Environment Law No. (21) of 2022 that this law overcame many of the obstacles that existed in the old investment law and succeeded in providing numerous incentives to foreign investors, whether in terms of tax or customs exemptions or reductions, or in terms of simplifying and automating procedures, or in terms of protecting the investor's interests from any other amendments to investment laws, etc.

Thus, the 2022 Investment Environment Law represents an important step toward attracting more investments to Jordan. This law seeks to make positive changes to the investment climate for foreign investors by offering them a set of incentives and guarantees to encourage them to invest in the Kingdom. Jordanian lawmakers have also succeeded in overcoming the problem of constantly changing legislation by ensuring investor protection from any new legislation that may be issued in the coming years.

Furthermore, the Investment Environment Law defines the basic principles and pillars upon which the investment process in Jordan is based. It provides numerous guarantees to protect investor rights, and equates foreign and Jordanian investors with equal rights and obligations to consolidate the concept of justice and equality. It also prevents any party from interfering in the activities and interests of investors, in a manner consistent with the rule of law.

The updated law has yielded actual positive results. According to statements made by Minister of Investment 'Kholoud Saqqaf' on the investment website, approximately 1.057 billion Jordanian dinars have been used to finance investment projects (Al-Jarrah, 2024). Minister of Investment 'Kholoud Saqqaf' also indicated that the number of projects that benefited from the amendments to the Investment Environment Law by August 2024 reached 254, including 153 new projects and 101 existing projects that were expanded. These projects were distributed across various sectors, including industry, technology, tourism, services, health, and agriculture (Al-Daoud, 2024).

5 Conclusions

Investment Environment Law No. 21 of 2022 includes a set of amendments aimed to improve the investment environment for foreign investors in Jordan. The most prominent of these amendments were the exemptions from customs duties and sales tax, subsidies for energy costs, protection of foreign investors from negative legislation, and preservation of acquired investor rights. The updated Investment Environment Law represents a significant step in developing Jordan's investment environment, contributing to attracting foreign and local investment by offering significant incentives and facilities.

Foreign investment is a priority in Jordan and an important part of the economic modernization vision and the Jordanian economic vision. The 2022 Investment Environment Law overcomes the issue of repeated amendments to investment laws, which often had a negative impact on investors, by granting investors the power to

request that new amendments not be implemented once they are issued. The law also provides a set of customs exemptions linked to specific and clear restrictions, including the employment of a specific number of Jordanian workers. Furthermore, the law equates the rights, freedoms, and duties of Jordanian investors with foreign investors, providing foreign investors with reassurance in Jordan's investment environment.

In addition to the research findings, it must be emphasized that Jordan continues to modernize and develop its investment-related legislative system. This is evident in the issuance of the amended Investment Environment Regulation of 2025, which, as previously explained, has not yet entered into force. Although it cannot yet be analyzed as effective legislation, it reflects the clear and ongoing legislative efforts made by the Jordanian government to enhance the competitiveness of the investment environment in Jordan and attract more foreign investment.

To improve the investment situation and investment environment in Jordan, the following proposals are recommended:

1. The Ministry of Investment should establish an investment fund for expatriates in the Gulf countries, managed by a board that seeks to add value to investments.
2. The Jordanian government should provide additional incentives for investment in relatively untapped sectors, such as mining and oil shale. These sectors are considered among the most promising, but they are underutilized due to their need for significant capital. Therefore, the government must seek to provide additional incentives to exploit these sectors in a way that achieves clear economic benefits for the Jordanian economic.
3. Jordan should seek to establish effective economic relations with advanced economies, such as China and India.
4. Educate investors about the electronic platforms launched by the government that conduct studies on the status of investment projects in Jordan. These platforms should include studies conducted in untapped sectors and clarify the potential benefits of exploiting them, with the aim of encouraging investors and drawing their attention to such sectors.
5. Providing assistance to struggling local investment projects, as the success of local investment is an important factor in attracting foreign investment. When a foreign investor invests in a particular sector, their first step is to evaluate the results of local investors' investments in the same sector. Improving the level of local investment also contributes to forming effective partnerships with foreign investors, especially in sectors that require significant operating costs.
6. Linking the level of incentives a foreign investor can receive to the size of the investment project and its positive impact on the Jordanian economy, in addition to the number of Jordanian national workers working in that project.
7. Providing employees working in government departments and ministries with appropriate training regarding the optimal application of the law.
8. Providing moral training to employees to deal with investors in a respectful manner, and conducting ongoing evaluations for employees who directly interact with investors.
9. It is recommended to conduct future researches related to the amended Investment Environment Regulation of 2025 once it officially enters into force.

Acknowledgment: This research was conducted independently by the authors without any financial, institutional, or organizational support.

Notes

¹ It is worth noting that although the current research primarily aims to study the Jordanian Investment Environment Law of 2022, subsequent amendments were issued in 2025 but have not yet entered into force or been published in the Official Gazette. Thus, although these amendments fall outside the scope of the current research analysis, they clearly reflect the Jordanian government's drive to develop a legislative environment for investment that enhances the attraction of foreign investors. Therefore, the analysis presented in this research is based on the current legislation in force, represented by Investment Environment Law No. 21 of 2022, as it constitutes the effective legal framework governing investment in Jordan.

² Article (3/A) of Investment Environment Law No. (21) of 2022 states: "A- Equality between Jordanian and the non-Jordanian Investors in rights, privileges and obligations, and to treat all Investors in a fair, equitable and transparent manner"

³ Article 2 of Investment Environment Law No. 21 of 2022 states: "The Economic Activity: Any industrial, commercial, agricultural, service, tourism, information technology or creative industry activity, and shall not include banking, money exchange or regulated professional activities as per special legislations"

⁴ Article (7/A) of the Investment Environment Law of 2022 states: "The Ministry shall be the main reference authority for Investment in the Kingdom, and it shall aim to attract, encourage and promote Investment, ensure the sustainability of an attractive investment climate, and enhance confidence in, develop and organize the investment environment".

⁵ Article (10) of the Investment Environment Law of 2022 states: "Notwithstanding the provisions of the Income Tax Law, the due income tax shall be exempted or reduced by no less than (30%) on the Economic Activities in the least developed regions in the Kingdom or the projects that employ at least (250) Jordanians, and for a period of maximum (5) years from the date of actual operation, and the provisions relating thereto shall be determined by means of regulation that includes the following: -

- a- The Economic Activities that shall enjoy exemption from income tax.
- b- The Economic Activities that shall enjoy a reduction of income tax and the reduction rates for each of them.
- c- The standards, criteria, conditions and periods of enjoying the exemption or reduction of income tax.
- d- The Economic Activities excluded from the exemption or reduction from income tax.
- e- Specifying the least developed regions in the Kingdom for the purposes of enjoying the exemption or reduction from income tax upon carrying out the Economic Activity therein"

⁶ Article (10/e) of the Investment Environment Law of 2022 states: "e- Specifying the least developed regions in the Kingdom for the purposes of enjoying the exemption or reduction from income tax upon carrying out the Economic Activity therein"

⁷ Article (10) of the Investment Environment Law of 2022.

⁸ Article (13/B/1) of the Investment Environment Law of 2022 states: "In granting the incentives, exemptions and benefits referred to in Paragraph (A) of this Article, the following criteria shall be taken into consideration in a manner that does not affect fair competition:

1- Employing at least 350 Jordanians"

⁹ Article (13/B/2) of the Investment Environment Law of 2022 states: "2-Employing female Jordanian employees with no less than 50% of the total labor- force, provided that the number shall not be less than (50) female Jordanian employees".

¹⁰ Article (30/A/6) of the Investment Environment Law of 2022 states: “6- Notwithstanding the provisions stated in Clause (3) of this Paragraph, handling machines and transportation vehicles that are used to transport ten or more persons, including the driver, and sold to the Registered Enterprise for the purposes of transporting the employees to and from the work premises of the said enterprise in the Zone shall be exempted from sales tax. The said exemption, its conditions and depreciation shall be organized by a regulation”

¹¹ Article (32) states: “The buildings and constructions erected in the Zone shall be exempted from the paving, zoning, improvement, licensing fees, and from buildings and lands taxes, without prejudice to acquired rights”

¹² Article (9/A) of the Investment Environment Law of 2022 states: “Notwithstanding the provisions of the Customs Law, the fixed assets, production requirements and inputs, and spare parts for the Economic Activity shall be exempt from customs duties”

¹³ Article (30/A/3) of the Investment Environment Law of 2022 states: “3-The sales of goods that are subject to special tax when sold for consumption in the Development Zone shall be subject to the sales tax and customs duties that are collected in the Kingdom”

¹⁴ Article (30/A/5) of the Investment Environment Law of 2022 states: “5- The Goods consumed within the Zone shall be subject to the general sales tax and customs duties unless the consumption thereof was for the purposes of practicing the Registered Enterprise of its Economic Activity”

¹⁵ Article (30/B) of the Investment Environment Law of 2022 states: “B- The Registered Enterprise that carries out an economic activity in the Development Zone shall enjoy exemption of the materials, equipment, machines, supplies and construction materials used in building, constructing, equipping and furnishing all types of projects that are established by it in the Development Zone, including spare parts needed for its ongoing maintenance and imported goods to the Development Zone to practice the Economic Activity or the ones exported by it outside the Kingdom from customs duties with the exception of export duties and service charges and wages due in accordance with the legislations in force”

¹⁶ Article (31/C) of the Investment Environment Law of 2022 states: “Exemption from customs duties and all other taxes and fees imposed on the goods exported from the Free Zone to other than the local market and on imported materials used in building, constructing, equipping and furnishing all types of projects that are established by the Registered Enterprise in the Free Zone, including equipment, machines, fixtures, building materials and materials necessary for the infrastructure and spare parts needed for its ongoing maintenance, and the said exemption does not include the service charges and fees associated with the international trade protection measures applied by the Kingdom”

¹⁷ Article (13/d) of the Investment Environment Law of 2022 states: “D- The Incentives and Exemptions Committee shall review any double taxation in respect of the Investment Funds or the Mutual Investment Funds for direct or indirect investment and shall address the said double taxation by collecting the income tax on the shares or the shareholders of the fund in respect of the juridical persons according to their activity, provided that the said procedure shall apply to the subsequent fiscal years and the matter shall be referred to the Council of Ministers to take the appropriate decision in this regard”

¹⁸ Article (17/A) of the Investment Environment Law of 2022 states: “A- The Investor, his family, and the employees of the senior management working therewith shall be

granted (Investor Identification Card) to simplify and facilitate the Investor's procedures before the Official Entities and to facilitate the entry and exit of the holder thereof to and from the Kingdom"

¹⁹ Article (3/A) of the Investment Environment Law of 2022 states: "A- Equality between Jordanian and the non-Jordanian Investors in rights, privileges and obligations, and to treat all Investors in a fair, equitable and transparent manner"

²⁰ Article (3/B) of the Investment Environment Law of 2022 states: "B- Protecting of Investments and not interfering in activities, rights and interests that are legally recognized for the Investor or the company in which the Investment was made".

²¹ Article (5/A) of the Investment Environment Law of 2022 states: "The Investor has the right to: -

A- Invest in the Kingdom by possessing full ownership, or by partnership or shareholding in any Economic Activity, except for the Economic Activities that are restricted by virtue of a regulation".

²² Article (5/B) of the Investment Environment Law of 2022 states: "B- Convert the legally used currency in the Kingdom into a convertible currency"

²³ Article (5/C) of the Investment Environment Law of 2022 states: "Transfer convertible currencies inside and outside the Kingdom without delay and in accordance with international financial practices and the applicable legislations".

²⁴ Article (5/E) of the Investment Environment Law of 2022 states: "E- Employ non-Jordanians in administrative and technical jobs that require specialized skills at a rate of no more than 25% of the total number of employees, and the said percentage may be increased to no more than 40% in the event that it is not possible to provide Jordanian labor-force for the said jobs"

²⁵ Article (15/A) of the Investment Environment Law of 2022 states: "A- If the legislative or regulatory provisions have been amended or changed and the said amendment or change resulted in a negative impact on the Investor whose Investments in one project amount to five million Dinars or more, or the said investor has employed two hundred and fifty Jordanians or more, then he has the right to request that the aforesaid provisions shall not apply against him for a period of seven years from the date of fulfilling any of the two said conditions".

²⁶ Article (45/A) of the Investment Environment Law of 2022 states: "A- The disputes arising from the investment contracts between the Official Entity and the Investor may be settled through arbitration in accordance with the rules agreed upon between them. In case of existence of arbitration agreement without specifying the rules, the Investor may choose to apply any of the following rules:

1- The Jordanian Arbitration Law.

2- The United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules.

3- The International Chamber of Commerce arbitration rules"

²⁷ Article (16) of the Investment Environment Law of 2022 states: "Without prejudice to any benefits, exemptions or incentives granted by this chapter to the Economic Activity, the economic activities that enjoy customs or tax exemptions or financial incentives under the Investment Law No. (30) for the year 2014 and any regulations, instructions or decisions issued pursuant thereto shall continue benefiting from the said exemptions and benefits until the end of the exemption period granted thereto under the aforesaid legislations and with the same conditions stipulated therein, or for seven years from the date in which the provisions of this Law came into effect in respect of the exemptions that have no specific period"

²⁸ Article (37/B) of the Investment Environment Law of 2022 states: “B- The relevant Official Entities shall complete the transactions related to the Comprehensive Investment Service within a period not exceeding (15) working days from the date of receiving the application that meets the requirements. In the event that the Official Entity is late in providing its response before the end of the said period, this shall be considered an automatic approval to complete the transaction”

²⁹ Article (2) of the Investment Environment Law of 2022 states: “The Comprehensive Investment Service: the services provided for the Economic Activities by the Official Entity, including registration and licensing services from one location that includes the electronic platforms”

References:

- Al-Daoud, A. (2024, Aug 5). Al-Saqqaf: 254 projects benefited from the Investment Environment Law. *Al-Dustour Newspaper*. Retrieved from <https://is.gd/jLwiwV>
- Al-Dhaibani, A. (2023). Modern Legislative Reforms in the Kingdom of Saudi Arabia and Their Role in Attracting Foreign Investments "An Analytical Study". *Journal of Jurisprudential and Legal Research*, 43, 1585-1637. Doi: [10.21608/jlr.2023.227337.1248](https://doi.org/10.21608/jlr.2023.227337.1248)
- Al-Froukh, M. (2019). Developing in Investment Environment in Jordan from the Perspective of Jordan Investments Commission. *International Journal of Business and Management*, 14(10). Doi: [10.5539/ijbm.v14n10p116](https://doi.org/10.5539/ijbm.v14n10p116)
- Al-Jarrah, A. (2024, Sep 18). Factors Influencing the Status of Foreign Investment in Jordan - Legislation as a Model. *Al-Rai Newspaper*. Retrieved from <https://is.gd/2tLhjn>
- Al-Otaibi, Z. (2025). Foreign Investment and Economic Development: A Descriptive Study in Developing Countries. *International Evolution Journal for Science & research (IEJSR)*, (7).
- Al-Qaniya, R. (2021). Obstacles to Domestic and Foreign Investment in the Kingdom of Saudi Arabia. *Journal of Economic, Administrative and Legal Sciences*, 5 (24), 77-103. Doi: <https://doi.org/10.26389/AJSRP.M150621>
- Belova, G., Georgieva, G. and Hristova, A. (2020). THE FOREIGN INVESTORS AND NATIONALITY CONCEPT UNDER INTERNATIONAL LAW. *Conference: 4th International Scientific Conference – EMAN 2020 – Economics and Management: How to Cope with Disrupted Times*, 193- 200. Doi: [10.31410/EMAN.2020.193](https://doi.org/10.31410/EMAN.2020.193)
- Bukša, T., Bukša, J. & Kosovac, I. (2022). Effects of foreign direct investment on the economy and environment. *Journal of Process Management New Technologies*, 10(3-4), 22-39. Doi: [10.5937/jouproman2203022B](https://doi.org/10.5937/jouproman2203022B)
- Haudi, H., Wijoyo, H. and Cahyono, Y. (2020). Analysis of Most Influential Factors to Attract Foreign Direct Investment. *Journal of Critical Reviews*, 7(13), 4128-4153. Doi: [10.31838/jcr.07.13.627](https://doi.org/10.31838/jcr.07.13.627)
- Investment Environment Law No. (21) of 2022. Published in the Official Gazette No. (5821) on 16/10/2022. Retrieved from <https://is.gd/jSIqcm>
- Jordan News Agency (2022). *Action to address bureaucratic obstacles necessary to attract investments-JCC*. Retrieved from https://petra.gov.jo/Include/InnerPage.jsp?ID=45760&lang=ar&name=en_news
- Jordanian Ministry of Investment (2025). *Amended Regulation of the Investment Environment Regulation of 2025*. Retrieved from <https://is.gd/Kahq6D>
- Kastratović, R. (2020). The impact of foreign direct investment on host country exports: A meta-analysis. *The World Economy*, 43(12), 3142-3183. Doi: [10.1111/twec.13011](https://doi.org/10.1111/twec.13011)

-
- Lu, J., Chao, J. and Sheppard, J. (2019). Government Guarantees for Mobilizing Private Investment in Infrastructure. *International Bank for Reconstruction and Development / The World Bank*. Retrieved from <https://is.gd/4PxnwE>
- Organization for Economic Co-operation and Development (OECD) (2024). *The Role of Incentives in Investment Promotion: Trends and Practices in OECD Member Countries*, OECD. Paris. Retrieved from <https://is.gd/NRDUVm>
- Organization for Economic Co-operation and Development (OECD) (2022). *FDI Qualities Review of Jordan: strengthening sustainable investment*, OECD. Retrieved from https://www.oecd.org/en/publications/2022/06/fdi-qualities-review-of-jordan_e67d2828.html
- Perrone, N. M. (2022). Bridging the gap between foreign investor rights and obligations: towards reimagining the international law on foreign investment. *Business and Human Rights Journal*, 7(3), 375-396.
- The Jordan Strategy Forum (JSF) (2023). *The Economics of Local & Foreign Direct Investment (FDI): Learned Lessons for Jordan*. Retrieved from <https://is.gd/PPe9xR>
- The World Bank Group (2024). *FY24–FY29 COUNTRY PARTNERSHIP FRAMEWORK FOR THE HASHEMITE KINGDOM OF JORDAN*. Retrieved from <https://is.gd/A273zi>
- Zhang, X. and Liu, W. (2021). The Rule of Law and Foreign Direct Investment. *Conference: 2021 3rd International Conference on Economic Management and Cultural Industry (ICEMCI 2021)*, 113-122. Retrieved from <https://www.atlantispress.com/proceedings/icemci-21/125965842>