

Privatization Law No. (25) of 2000

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Article (1) :

This law shall be called the Privatization Law No. (25) of 2000 and shall come into effect as from the date of its publication in the Official Gazette.

Article (2) :

The following terms and phrases, wherever they appear in this law, shall have the meanings assigned to them herebelow unless the context otherwise indicates:

The Council :

The Privatization Council formed pursuant to this law. **The Commission :** The Executive Privatization Commission formed pursuant to this law.

The Concerned Minister : The Minister with whom the organization or institution being restructured or privatized is affiliated.

Privatization and Its Objectives

Article (3) :

Privatization means the adoption of an economic methodology which enhances the role of the private sector in the economy to include public sector enterprises the nature of which requires that they be managed on commercial bases. The objectives of privatization include, inter alia, the following:

- A. Raising the efficiency, productivity and competitiveness of economic enterprises.
- B. Contributing to the encouragement of local, Arab and international investments by providing a favorable investment environment.
- C. Stimulating private savings and directing them towards long-term investments to strengthen the local capital market and the national economy.
- D. Alleviating the debt burden of the Treasury by ceasing its obligation to offer aids and loans to unsuccessful and unprofitable enterprises.
- E. The management of economic enterprises with modern methods which include the use of advanced technology in order to enable such enterprises to create stable markets and to penetrate new markets through their ability to compete in international markets.

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Article (4) :

Restructuring and privatization of public institutions or enterprises owned by the public sector shall be carried out by adopting any of the following methods:

- A. The transfer of ownership of an institution or an enterprise which has been transformed into a company, in

accordance with the legislations in force and restructured in order to complete its privatization from the public sector to the private sector.

B.The transfer of Government's shares or stocks in companies through total or partial sale.

C.The transfer of the management of enterprises from the public sector to the private sector pursuant to agreements according to which the private sector shall be entrusted with the management and operation of these enterprises.

D.The adoption of one of the following options to establish specific investment enterprises pursuant to agreements reached for this purpose between the public sector and the private sector.

i.The private sector builds the enterprise, exploits it and operates it for a specific period then transfers it to the public sector at the end of the said specific period (BOT).

ii.The private sector builds the enterprise, transfers its ownership to the public sector while retaining the right to exploit and operate it for a sepcific period (BTO)

iii.The private sector builds the enterprise, owns it, exploits it and operates it for its own account (BOO)

iv.The private sector builds the enterprise, owns it, exploits it and operates it then transfers it and its ownership to the public sector (BOOT).

E.Granted the private sector the right to build a particular enterprise with a monopolistic and exclusive right to exploit it pursuant to a license or an agreement signed with the Government for this purpose.

F.Any other method decided by the Council of Ministers.

Article (5) :

In implementing privatization transactions, the following shall be observed:

A.Compliance with the principles of transparency, openness and fair competition.

B. Evaluation of assets and liabilities of the institution or enterprise in question in more than one method, according to recognized principles of accounting practices.

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The Privatization Council

Article (6) :

A. Pursuant to the provisions of this law a council, which will be called the "Privatization Council", shall be established. The Council shall be chaired by the Prime Minister and shall consist of the following members:

i.The Minister of Finance

ii.The Minister of Industry and Trade

iii.The Minister of Planning

iv.The Minister of Justice

v.The Governor of the Central Bank

vi.The Chairman of the Commission

vii.The Concerned Minister when discussing an issue related to his/her Ministry or an institution affiliated therewith.

viii.Four specialized experts appointed by the Council of Ministers, on recommendation by the Prime Minister, for two years renewable for one further term.

B. The Chairman of the Council shall appoint one of the members of the Council as Vice-Chairman.

Article (7) :

The Council shall have the following responsibilities and powers:

A.

i. Laying down general policies for privatization.

ii.Specifying the public institutions or public-sector enterprises it decides to be privatized, or restructured in preparation for privatization, and adopting the appropriate implementation method to achieve this purpose.

iii.Specifying companies in which the Government holds shares in order to privatize those shares pursuant to the legislations in force.

iv.Approving decisions of sale, lease or transfer of rights of management and operation to the private sector taken in implementation of privatization.

v.Selecting qualified consulting firms to carry out the necessary studies on restructuring or privatizing institutions or enterprises on recommendation by the Chairman of the Commission.

vi.Recommending to the Council of Ministers to take the legal steps required for the establishment of an independent regulatory commission to regulate one or more sectors in preparation for its/their privatization and to lay down principles for monitoring the said sector(s) to ensure that the objectives of its/their privatization are achieved.

vii.Issuing the instructions it deems necessary for the implementation of the provisions of this law and the regulations issued pursuant thereto on recommendation by the Chairman of the Commission, provided that such instructions shall be published in the Official Gazette.

B . Resolutions of the Council taken pursuant to sub-paragraphs (1-5) of paragraph (A) of this article shall be subject to the consent of the Council of Ministers.

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Article (8) :

A. The Council shall convene on notice from its Chairman or, if the Chairman is absent, on notice from its Vice-Chairman, whenever the need arises. Meetings shall have a quorum if at least two thirds of the members of the Council, including either the Chairman or Vice-Chairman, are present.

B. Resolutions and recommendations of the Council shall be adopted by a majority of the votes of members present. If the votes are even, the Chairman of the meeting shall have a casting vote.

C. The Council may invite whomever it deems appropriate to participate in its meetings provided that the person(s)

invited shall not have the right to vote on resolutions and recommendations of the Council.

The Executive Privatization Commission

The Executive Privatization Commission

Article (9) :

A. Pursuant to this law, a financially and administratively independent commission, which will be called (the "Executive Privatization Commission"), will be established and affiliated with the Prime Minister.

B. Appointment of the Chairman of the Commission and determination of his/her salary, raises and other financial entitlements shall be made by a resolution of the Council of Ministers on recommendation by the Prime Minister. The same procedure is applied for the termination of the services of the Chairman of the Commission.

Article (10) :

Subject to the provisions of legislations in force, the Executive Privatization Commission shall assume the following duties and responsibilities:

A. Carrying out studies on restructuring and privatization transactions in coordination with the concerned bodies, and making recommendations to the Council.

B. Following up the execution of restructuring and privatization transactions after the consent of the Council of Ministers on the Council's resolutions in this matter has been obtained.

C. Any other responsibilities related to restructuring and privatization transactions assigned to it by the Council or by the Council of Ministers.

Article (11) :

A. The Chairman of the Commission shall exercise the powers necessary for the management and supervision of the Commission including:

i. Following up the execution of decisions made in relation to privatization in cooperation and coordination with the concerned bodies.

ii. Submitting the Commission's recommendations and studies relating to its authorities to the Council to make the appropriate decisions in respect thereof.

iii. Supervising the employees and workers of the Commission.

iv. Recommending to the Chairman of the Council to appoint full-time and part-time consultants required for the work of the Commission and to determine their rights and duties.

v. Any other responsibilities or authorities assigned to him/her in accordance with the regulations and instructions issued pursuant to this law.

B. The Chairman of the Commission may delegate to any of the Commission's senior employees any of his authorities, if the need arises, provided that such delegation of authorities is specific and in writing.

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Article (12) :

A. The Commission shall have an independent budget approved by the Council on recommendation by the Chairman of the Commission and endorsed by the Council of Ministers.

B. Sources of income of the Commission shall consist of:

i. Allocations from privatization proceeds

ii. Donations, grants or any other funding sources approved by the Council provided that the consent of the Council of Ministers is obtained if the source of such funding is from a non-Jordanian origin.

C. Accounts of the Commission shall be prepared in accordance with recognized principles of accounting and shall be audited by the Audit Bureau.

The Privatization Proceeds Fund

Article (13) :

Subject to the provisions of Article (10) of the Jordan Investment Corporation Law No. (18) of 1991 and its amendments:

A. A special fund called the "Privatization Proceeds Fund" shall be created pursuant to this law in which all privatization proceeds shall be deposited. The Privatization Proceeds Fund shall be supervised by the Council and its activities shall be regulated and administered by the Commission in accordance with a special regulation which will be issued for this purpose.

B. Privatization proceeds shall include all sums accrued from restructuring or privatization transactions performed pursuant to the provisions of Article (4) of this law.

C. Privatization proceeds accrued before the issuance of this law shall immediately be deposited in the Fund upon its creation.

D. The privatization proceeds shall be utilized, pursuant to a resolution by the Council of Ministers, for the following purposes:

i. Settlement of Government debts accumulated by the institutions or enterprises undergoing a restructuring or privatization process and covering the expenses resulting from such a process.

ii. Purchase of Government debts to benefit from deductions on these debts or to settle such debts through debt-swap deals or by any other method approved by the Council and consented to by the Council of Ministers.

iii. Investments in financial assets.

iv. Financing economic activities and new investments in infrastructure sectors with feasible economic and social returns and which will assist in achieving sustainable development, provided that such financing is included in the Government budget.

v. Re-qualifying and training of employees working at institutions and organizations undergoing a restructuring or privatization process and settlement of their ensuing financial rights.

vi. Retrospective subscription with the Social Security Corporation on behalf of employees of privatized institutions who will become subjected to the Social Security Law.

E. Proceeds of investments of the Privatization Proceeds Fund shall be considered revenues for the Treasury.

Article (14) :

Irrespective of the provisions of any other legislation, the Council may decide that a share with special voting rights (the "Golden Share") in the company resulting from privatization must be allotted to the Government, granting the concerned body the right to veto resolutions of the company's Board of Directors or General Assembly whenever the higher national interest so demands, provided that the Council of Ministers approves of the exercise of such veto right.

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General Provisions

Article (15) :

A. Before the commencement of any privatization transaction, the Commission shall publish in at least two daily newspapers and over two extended intervals the conditions of and requirements for any such privatization transaction at a date specified by the Council for this purpose.

B. The Commission shall publish in the Official Gazette a detailed report on each privatization transaction upon its completion stating the following:

i. The name of the institution or entity which has been privatized, the method adopted and the procedures followed.

ii. Names of the financial and legal advisors and the experts who were consulted in relation to the privatization transaction in question, in addition to the names of their local agents, if any.

iii. The name and address of the entity(ies) with whom the privatization transaction has been closed or the beneficiary thereof and the said entity's local agents, if any.

iv. Any other information the publication of which is deemed necessary by the Chairman of the Commission.

Article (16) :

Irrespective of the provisions of any other legislation, and taking into consideration the terms and conditions contained in any agreement arising out of the restructuring of an enterprise or the privatization of an institution, all rights and commitments of such enterprise or institution which have undergone a privatization process will be transferred to the resulting entity(ies) which shall become the legal and actual successor thereof.

Article (17) :

It is prohibited for any member of the Council, or any person working at the Commission, or a consultant or a member of a committee of experts connected to a privatization transaction, to participate, directly or indirectly, in the said privatization transaction. This prohibition also applies to the spouses of the above described persons, descendents to the first degree and to anyone who has a business, beneficial or ownership relationship in any form with the persons named in this article.

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Article (18) :

A. Each and every employee or consultant working at the Commission must inform the Chairman of the Commission in writing, at the commencement of the execution of any privatization transaction, of any benefit that he/she, his/her spouse, predecessors or descendents to the third degree or siblings may accrue, directly or indirectly, in return for services rendered to any party which is directly or indirectly connected to the privatization transaction in question.

B. The Chairman of the Commission shall decide on the impact of such benefits on the impartiality of such an

employee, consultant or expert involved in the privatization transaction and, accordingly, and in any event, shall have the right to discharge such an employee, consultant or expert from working at the Commission or on the transaction in question.

Article (19) :

A.It is prohibited for any person who has obtained knowledge of confidential information by virtue of his work at the Commission to disclose such information in any way to any person whom the provisions of this law do not entitle to have knowledge thereof.

B.Any person who violates paragraph (A) of this article will be punished by imprisonment for a period of not less than one year and not exceeding three years and by a fine of not less than three thousand Jordanian Dinars.

Article (20) :

The Council of Ministers shall issue the regulations required for the implementation of the provisions of this law including regulations relating to employees and financial matters of the Commission.

Article (21) :

The Prime Minister and the Ministers are instructed to enforce the provisions of this law.

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B. The Chairman of the Commission shall decide on the impact of such benefits on the impartiality of such an

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