

Jordan

Chamber of commerce:

Jordan Chamber of Commerce
PO Box 7029
Amman 11118
Jordan
Tel: +962 6 5665492
Fax: +962 6 5685997
Email: info@jocc.org.jo
Web: www.jocc.org.jo

Professional body:

Jordan Bar Association
PO Box 9024
Amman
Tel: +962 6 665818
Fax: +962 6 677231

The Competition Law

Lubna Hawamdeh
Ali Sharif Zu'bi Advocates & Legal Consultants
Amman

Jordan enacted its Competition Law in 2004. The law came into force on the date of its publication in the *Official Gazette* on September 1 2004 and replaced the Temporary Competition Law of 2002. Before 2002, there was no specific legislation governing competition in Jordan.

The law applies to all production, commerce and services in the Kingdom of Jordan and all economic activities outside the country that have a direct effect in Jordan.

The Committee for Competition Matters and the Competition Directorate

The Competition Law established the Committee for Competition Matters, which is responsible for presenting opinions and advice on the general plan for competition, as well as reviewing matters related to the Competition Law, including draft laws and regulations.

The law also created the Competition Directorate in the Ministry of Industry and Trade, which has the following duties and responsibilities:

- Contributing to the general competition plans and legislation.
- Promoting, protecting and encouraging free competition.
- Gathering information and conducting investigations to uncover any violations of the competition rules.
- Issuing opinions on matters related to its activities.
- Cooperating with similar bodies outside of Jordan in exchanging general information and data.

Anti-competitive practices

Any practices intended to prevent fair competition, and deemed in contravention of the Competition Law, are prohibited, especially those aiming to fix the prices or quantities of

products; share the market on the basis of geographical regions; set barriers to the entry of new enterprises, thus eliminating them; or collude in bids by over- or under-bidding with the intention of preventing competition.

An enterprise that is dominant in the local market is also subject to the provisions, and is prohibited from discriminating against customers or preventing them from dealing with any competing enterprise. Any attempt to monopolise the resources necessary to a competing enterprise with the intention of manipulating market prices is also prohibited.

The resale of a product below its natural price (dumping) is prohibited if the action is intended to limit competition. Any violation of this provision will result in the fine of between JD200 (\$282) and JD20,000. The provision does not apply to perishable goods, or to sales with the intention of liquidating a business or to restock at lower prices.

Economic concentration

Any activity resulting in the full or partial transfer of ownership, interest, property, rights, shares or obligations from one enterprise to another is considered an operation of economic concentration.

If the economic concentration would result in the enterprise holding a dominant position in the local market (40% or more of the total local market transaction) then the enterprise must first receive approval from the Minister of Industry and Trade. This may be obtained by submitting a petition to the Competition Directorate, on the form adopted by the Ministry of Industry and Trade. The form must include copies of the articles and memoranda of the enterprises concerned; a copy of the agreement of concentration; a list of the most important products and services provided by the concerned enterprises; a report of the positive effect of the operation on the market; financial statements of the most recent fiscal years of the concerned enterprises; a list of shareholders and partners of the concerned enterprises; a list of officers and members of their management boards, as well as members

of the board of directors; and a list of branches of each enterprise.

The Competition Directorate must publish an announcement regarding the petition in two daily newspapers at the expense of the applicant. The Minister of Industry and Trade may then approve the operation so long as it does not negatively affect competition, or if the suggested economic benefits outweigh the latter. The Minister of Industry and Trade may also allow the operation to continue provided that the enterprise agrees to meet the minister's conditions.

Jurisdictional matters

The Court of First Instance can hear cases related to any violations of the Competition Law. Any cases concerning inconsistencies with the competition provisions must provide evidence derived from: the Minister of Industry and Trade's decision on the recommendation of the director, enterprises from the private sector, licensed consumer protection associations, at least five consumers who have suffered harm, chambers of commerce and industry, and professional and syndicate organisations.

The court may then allow an order of declaration to show the extent of damages resulting from the breach of the Competition Law, order a removal of the violation within a period set by the court, and set a suitable penalty for the violators.

An officer of the Competition Directorate carries out the necessary investigations and may:

- Enter, during daily working hours, commercial establishments, offices and stores to conduct inspections and searches.
- View and seize documents, records and files, or obtain copies or photos of these files.
- Question people suspected of violating the Competition Law, and record their testimony in transcripts issued for that purpose.

Any person who prohibits an officer from carrying out his duties, or destroys or conceals documents, may be fined between JD500 and JD5,000.

Financial and corporate**Recommended firms****Tier 1**

Ali Sharif Zu'bi Advocates & Legal Consultants
Khalifeh & Partners
Obeidat & Freihat

Tier 2

Dallal & Associates
International Business Legal Associates (IBLaw)
Nabulsi & Associates
Rajai KW Dajani & Associates

Tier 3

A&T Najdawi Law Office
Dajani & Associates
JC Law
Sanad Law Group

"Law firms in the gulf region think highly of Jordanian lawyers, who are mostly bi-lingual," says one foreign peer. The top firms are adept at working on an international level and, as one peer notes: "The quality is very high."

Clients consistently praise technical expertise and professionalism, and one says that "there are many amendments to company and investment laws and they are continuously affecting investments, so a lawyer here must be very up to date in all those various fields." Responsiveness is also key as many active regional players are in the market.

Experience is a huge advantage in the market according to another client. "[In] complex legal banking transactions you need someone with history, as most complex banking transactions are either related to privatisations or infrastructure, so there is a political dimension to them, and you need a good firm which is respected by all sides."

The number of partner movements in the market is attributed partially to a lack of strong structure within law firms and an individualism which can scupper collective team work. "Juniors are always suffering [and] they do most of the work," says one partner.

One client says that capacity is also an issue: "The problem sometimes with bigger firms is that you sign up with them and the top lawyers don't always deal with you – they have too many clients." Another trend is recruitment of internationally trained lawyers.

The country has avoided the worst of the financial crisis due to its small size. In fact, firms have been kept busy on large infrastructure projects including the Queen Alia Airport, the Red/Dead Sea development project, the Aqaba Port project and the Disi-Amman water project.

Ali Sharif Zu'bi Advocates & Legal Consultants

Ali Sharif Zu'bi "is everywhere – they are the indisputable top law firm, ask anyone", according to one competitor. Market commentators consistently regard the firm as the best of the *top four* in Jordan, while clients also praise the top lawyers in the firm. However the firm wasn't without its issues this year, with well-regarded senior associates Iyad Zawaideh and Aya Abuhassan moving to other firms.

However the firm is seen by the market as having the depth to easily overcome the losses, and it still dominates. "They are by far the firm that enjoys long heritage, an excellent team and above all the perfect relationship with most of the international law firms," says one competitor.

"They are highly professional; the best in Jordan," says one client. Another client agrees: "They are the best because they are professional and they have very good experience."

The firm has worked in regionally significant deals in the project finance, banking and M&A sectors, and has recently been building links with the Iraq market.

In one highlight, Overseas Private Investment Corporation and the International Financial Corporation sought the firm's advice in a \$600 million financing of the strategic Disi-Amman water pipeline on a build-operate-transfer basis. The firm represented Aqaba Petroleum Company in a \$200 million development and operation agreement for oil at the Aqaba Oil Port. The deal may include a new port and secure oil storage.

Arab Bank mandated the firm on the financing of a large residential and business project on Abdali Boulevard worth \$110 million, while the firm also acted for the Industrial Development Bank's sale of a majority stake to an investor.

Leading lawyers

Khaled Asfour
Ali Sharif Zu'bi

Obeidat & Freihat

One peer says Obeidat & Freihat is "for sure a top firm, although they have lost Almed Oldet who is now Minister for Justice". The established *top four* firm is highly recommended by all and maintains an impeccable reputation in the Jordanian market.

One peer notes that the firm is "responsive, operates very well" and "sends its partners to negotiate in all big deals".

The firm is representing the KGL Consortium in relation to the potential construction of a new port from the Aqaba Port.

In another transaction, the firm advised the Korean Electric Power Corporation in a \$450 million loan from the International Bank for Reconstruction and Development and Import Export Bank of Korea in relation to the construction and operation of the Al-Qatana independent power plant.

Another deal saw the firm act for the International Finance Corporation in a \$40 million loan to the Electricity Distribution Company.

Leading lawyers

Thamer Obeidat

Khalifeh & Partners

"They are one of the top in Jordan, especially in regards to development issues, investments, multinational firms and international law," says one client. Another client says the firm is "comfortable to work with and comparable to the best international standards". One of the established *top four*, Khalifeh & Partners has leading expertise in the project finance field.

The firm has gone through a significant recruitment exercise to deepen its international talent. One key newcomer is partner Haithan Hawashin, who has 15 years experience in Hong Kong, Singapore and London with Linklaters and Baker & McKenzie. Senior associates Mutasem Nsair and Mazen Ishnaneh also bring significant experience in banking and litigation to the team.

The firm has an especially strong presence in power sector privatisations, and recently represented the Electricity Distribution Company and its sponsors on a \$40 million loan from the International Finance Corporation. The firm advised Kingdom Electricity for Energy Investments Company in a \$104 million privatisation of electricity distribution companies, as well as an \$18 million bridge loan from Union Bank.

Khalifeh & Partners also acted for the largest private investment fund in the country, Jordan Dubai Capital, in a \$42.5 million corporate bond issue.

"They are very responsive and up-to-date with their knowledge – often you are in a meeting and need an answer, so you can phone them and they will give you the answer on the phone," says another client. The firm has strong ties with international firm Allen & Overy.

Leading lawyers

Ala' Khalifeh
Khaldoun Nazer

Dallal & Associates

Dallal & Associates has top expertise in the telecom sector and corporate matters. "Personally, I think that they are the best in Jordan – they are extremely diligent, have a very strong work ethic and the quality is very good," says one client.

"The managing partner is always reviewing everything and he is always very much part of making sure that he reviews everything that gets sent out – his approach is a collaborative approach with his team and there is comfort in knowing that he has reviewed it ... I can always ring him up and he can respond," says the client.

The firm's boutique size gives it a slightly lower market profile. Mubadda Dallal leads the firm, closely collaborating with fellow lawyers. Junior Saad Hamid "has an encyclopaedic knowledge of Jordanian law," says one client.

The firm worked on a string of notable banking transactions in the past year, acting for the Trade Bank of Iraq and the Gulf Finance House, among others, and won key mandates from Saudi Ojer and Ojer Middle East, advising on three loan facilities from Calyon, Samba Bank and Blom Bank, valued at over \$750 million each.

The firm is active in telecoms, a traditionally strong arm of the firm, advising Bloomberg and Lebanese media group New TV, and won some high profile new clients including AT&T, Ikea and Bacardi. The firm also won a significant mandate for US architectural firm HKS, and is advising MWH Global on a regionally significant project in collaboration with the government of Jordan.

"In terms of quality I put them number one, as far as I am concerned – they are the only firm that I have never had a wrong legal opinion from," says one client.

Leading lawyer

Mubadda Dallal

International Business Legal Associates (IBLaw)

IBLaw is another of Jordan's firms referred to as the *top four* financial and corporate practices. The firm receives strong praise in particular from banking clients: "They are really good at understanding business law," says one client.

Another client praises the firm for its commercial approach to a transaction: "[They are] very comprehensive with regards to other law firms. They are very engaged with what we were looking for, easy to get through to and very quick with their responses, and also really good at knowing the government and how it works; what it wants," says another client.

"They have a very good team with a top set of skills," notes another client.

The firm has strengthened itself with the return of the managing partner Salaheddin Al Bashir from a ministerial post, and the recruitment of US-trained associate Lana Alamat.

The firm has acted as long-term counsel for Total Jordan and Total Outre-Mer, with one recent transaction seeing the firm advise on a bid for a \$300 million oil distribution and retail concession. The firm regularly advises the biggest US investor in the country, the Social Security Corporation, and is acting for the Aqaba Development Corporation in the \$500 million public-private partnership to develop the New Aqaba Port.

Jordan's Development Zones commission chose the firm to advise it on the establishment of two zones on the Dead Sea and Ajloun, while IBLaw also assisted the International Bank for Reconstruction and Development (IBRD) and the Import Export Bank of Korea in a \$450 million loan to the Al-Qatran independent power plant.

Leading lawyers

Mohannad Jarar
Salaheddin Al Bashir

Rajai KW Dajani & Associates

The firm, which has a partnership with international firm White & Case, is led by founding partner Rajai KW Dajani, who set up the practice in 1990.

The firm is engaged by the Millennium Challenge Corporation to advise on loans and projects for infrastructure and economic development. The firm is also advising on the creation of a \$250 million fund by a US client, which is working in a joint venture with Overseas Private Investment Corporation and the Middle East Investment Initiative.

The firm has been involved in the energy sector, acting for a consortium in its bid for a 51% stake in the Jordan Petroleum Refinery Company and advising Statoil Hydro on a concession for the exploitation of the Al Risha Gas Fields.

Rajai also served as local counsel for White & Case to provide Jordanian law advice on the expansion of the Queen Alia International Airport for the government of Jordan.

Leading lawyers

Rajai KW Dajani
Yousef Khalilieh

Other ranked firms

Nabulsi & Associates maintains a strong profile in the market and is highly regarded by peers all round.

However the firm's loss of Lana Salameh and Jumanah Toukan was undoubtedly a blow. "They have had considerable changes in structure over the last year and that may have affected their stake in the market," says one peer. However the market believes that the strong name and reputation of the firm should see it through.

A&T Najdawi Law Office was established in 1970 and has a particularly strong profile in privatisations, especially in relation to transport, and in its work with the Greater Amman Authority (GAM). While Thaeer Najdawi appeared on all top deals, associate Aseel Ramahi also featured very highly.

The firm won the bid to act for the Civil Aviation Regulatory Commission, Lufthansa Consulting and the Ministry of Transport in the \$40 million establishment of the Jordanian Airport Company (JAC). The firm followed up by advising on the licence agreement for JAC to operate and run Amman Marka International Airport.

The firm won a 15 year contract to advise the Greater Amman Municipality on a \$1.4 million street advertising deal, and another 15 year contract worth \$52 million for the infrastructure design and operation of a bus transit system in Amman.

A&T was also selected by the Ministry for Transport as legal advisors to the Performance Management Unit for the construction and expansion of the billion dollar Queen Alia International Airport, one of the largest PPP projects in the country.

Leading lawyers: Thaeer Najdawi

Former senior corporate and commercial lawyer at Khalifeh & Partners, Nadim Kayyali, and a number of lawyers from Ali Sharif Zu'bi Advocates are helping to boost Sanad Law Group's young profile in the market. The group, which has attracted the attention of clients, recently formed a partnership with Middle Eastern firm Khasawneh & Associates to form KSLG, and is a firm to look out for.

Other notable firms

UAE firm Al Tamimi opened an office in Jordan in September 2008, with special counsel Khaled Saqqaf acting as office head.

The office receives a number of mandates from its Dubai office. Saqqaf acted for Aujan Industrial and Madar Holdings in establishing their Jordan subsidiaries and negotiating a government exemption regarding the 100% foreign ownership.

Siri Hashem advised Arab Potash, one of the largest companies in Jordan, on a commercial maritime transaction.

Anis Kassim Law Office is a sole practitioner who is established in the legal community, while **Ibrahim Bakr Law Office** is known primarily in the field of litigation.

One spin-off to watch for the future is **JC Law**. The firm was formed at the end of 2007 by two former top lawyers at Nabulsi & Associates – Lana Salameh and Jumanah Toukan. The boutique firm specialises in securities, corporate finance and business law.

Nabeel Law Offices is well-regarded by a number of clients in the banking sector.