

# Jordan

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## The Competition Law

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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 colude 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 monopolize 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 organizations.

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 and Legal Consultants

#### Tier 2

Dajani & Associates  
Nabulsi & Associates  
Obeidat & Freihat  
Rajai KW Dajani & Associates

#### Tier 3

Dallal & Associates  
IBLaw  
Ibrahim Bakr Law Office  
Khalifeh & Partners  
Office of Anis F Kassim

International investment has come from some unexpected sources lately, such as Iraq. As one lawyer said: "Iraqis are settling in Jordan and bringing their business with them. Meanwhile America is using Jordan as a base from which to enter the Iraqi market."

This migration has also contributed to a boom in the real-estate sector.

Construction of another kind – that of power plants and water works – has been adding to lawyers' workload. Firms are advising the government and the private sector on new projects such as water pipes, railways and transport terminals. The telecoms industry is also particularly buoyant.

Meanwhile the Jordanian government has been selling its stake in the country's existing infrastructure, to the delight of private companies. The work of law firms this year is awash with consortia bidding for these integral assets.

### Ali Sharif Zu'bi Advocates and Legal Consultants

"We had a great experience," said one client. "They are qualified lawyers with excellent English skills and they did what was required, absolutely meeting our needs."

The telecoms sector is booming in Jordan and Ali Sharif Zu'bi has seen both financial and corporate work come its way. In summer 2006 the firm acted for BNP Paribas on a \$4 billion loan to MTC, the Kuwaiti mobile telecoms company, and towards the end of the year helped Batelco, a Bahraini telecom company, acquire Umniah for \$42 million.

Khaled Asfour led both deals. He was described by peers as "a good transaction lawyer" and was praised for "managing the business properly and doing well". Clients also highlighted his excellent command of English.

This year Asfour has been very active on energy projects. In March 2007 he advised AES and Mitsui on their \$300 million plans for a power plant in Jordan, helping negotiate with both the government and lenders to secure financing for the venture. Asfour is also representing the Jordanian government on the \$125 million privatization of Central Electricity Generating Company and two distribution businesses.

The firm also has a number of talented young lawyers. Clients picked out associate Ola Al-Kadi as a future dealmaker: "She was supporting Asfour and giving good advice," said one.

#### Leading lawyers

Khaled Asfour  
Iyad Zawaideh

### Dajani & Associates

Dajani & Associates moves up a tier this year, reflecting praise from the market for the firm's increased presence over recent years.

Rajaie Kamal Dajani leads a team of 12 lawyers with particular experience in banking, insurance and privatizations. Competitors commended the firm's experience and the type of high-profile clients it manages to pull in.

#### Leading lawyers

Rajaie Kamal Dajani

### Nabulsi & Associates

Nabulsi & Associates have a good reputation in Jordan with both clients and competitors. One client said: "They are very good at giving us great advice; we have used them for many law cases and consultations and they do a great job."

The firm has a particular expertise in projects, with past experience on energy, motorway and rail programmes.

Named partner Omar Nabulsi was described by rivals as "a well known lawyer", but it is Lana Salameh who receives much of the praise. One competitor said: "Lana's been around for awhile and I've worked with her on many projects. She's a good lawyer, a hard worker and very dedicated."

The firm's past clients also include a number of banks such as Standard Chartered, Bank of New York and Société Générale.

#### Leading lawyers

Omar Nabulsi  
Lana Salameh

### Obeidat & Freihat

Thamer Obeidat is one of the named partners at family-run firm Obeidat & Freihat.

Obeidat has an excellent reputation in the Jordanian market. One competitor said: "He's good, well connected and has a good list of clients, and he has quite a bit of experience now."

In September 2006 Obeidat & Freihat advised Albaraka Banking Group on the Jordanian aspects of its \$450 million private placement and \$572 million dual initial public offering on the Bahrain and Dubai stock exchanges.

#### Leading lawyers

Thamer Obeidat

### Rajai KW Dajani & Associates

Privatizations have helped drive Jordan's economy in recent years and Rajai KW Dajani & Associates has been a regular part of the action.

The firm is the local representative for White & Case and gets some significant deals as a result. This year the firm provided on-the-ground legal advice on the \$500 million privatization and expansion of Queen Alia International Airport to the privatization commission of the Jordanian government. Rajai KW Dajani & Associates helped revise legislation, conduct due diligence and prepare the documentation. The firm also assisted Utilities Development Company Holdings on the government's decision to sell its 51% stake in Central Electricity Generating Company. This deal was also referred by White & Case.

UDC Holdings has returned to the firm with Kuwait Jordanian Holdings Company for guidance on a \$700 million project to access water in the Disi-Mudawarra area in the south of the country. The project aims to supply water to Amman, 325km away.

In other project finance work, the firm is counselling the Public Transportation Regulatory Commission on a build-own-transfer project to establish a transport hub for buses travelling into Jordan from abroad. This deal involved drafting the relevant documents and the agreement with the developer.

Elsewhere the firm represented Air Niugini, the national airline of Papua New Guinea, on its purchase of an aircraft from a domestic company, and helped MESC Specialized Cables, Fujikura and JNC Cables form a joint venture with capital from investors totalling JD20 million (\$28.2 million).

#### Leading lawyers

Rajai KW Dajani  
Yousef Khalilieh

### Other notable firms

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IBLaw enters the *IFLR1000* rankings for the first time this year following several commendations from the market. The firm is increasingly making its presence felt. One competitor said: "We are seeing more and more of them."

Dallal & Associates has a good reputation in the Jordanian market but some competitors felt they were not yet at the same level as other firms in tier two. But another rival believed the firm was doing well and would soon hit the big-time: "I've dealt with them in a few transactions and I was impressed. They will be one to watch in the future." The firm is certainly taking on impressive mandates. This year it advised Saudi Oger on several transactions totalling \$400 million and counselled ABN Amro on secured facilities amounting to \$45 million. The firm has also been busy in project finance; this year the firm assisted Infrastructure Development Company, on its bid for the build-own-operate-transfer (BOOT) light-rail project, the first rail BOOT project in the Middle East.

Clients were particularly enthusiastic about Khalifeh & Partners. One client said: "They were very cooperative, very helpful and responsive. We gave them short deadlines and they exceeded our expectations." In 2007 leading lawyer Ala' Khalifeh assisted the Jordanian government on a \$250 million water project and helped Allen & Overy advise a consortium – comprising Consolidated Contractors, Jordan Dubai Capital and Malakov of Malaysia – on its successful bid for 51% of Cegco. One client of Khalifeh said: "His local knowledge was very important to us. He has local expertise, local connections and was very helpful."