

# Jordan

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### Yousef Khalilieh

#### Rajai KW Dajani & Associates Amman

Jordan has only one securities exchange, the Amman Stock Exchange (the ASE), which is becoming one of the most developed and rapidly growing stock markets in the region. The ASE is one of the largest Arab stock markets open to foreign investors, and is considered the region's most advanced financial market.

The ASE was formed to operate and develop the securities exchange in Jordan. It is governed and regulated by the Securities Law and by regulations issued pursuant to it. The ASE is governed by a seven-member board of directors, five of whom are elected by the membership of the ASE and the remaining two are appointed by the Jordan Securities Commission (the JSC). Day-to-day management of the ASE is performed by a chief executive officer who reports to the board.

The JSC is a body that regulates and supervises the capital market in Jordan, with the objectives of: (i) creating a sound regulatory environment to ensure a transparent securities market in Jordan; and (ii) to protect shareholders, investors and the public from irregular market practices.

Depending on the requirements of the market, the ASE has diligently issued instructions and regulations in an attempt to guarantee that its objectives, responsibilities and duties are being achieved, and that it is always acting in compliance with international standards to ensure that it maintains a continuous efficient and transparent standard.

Trading in corporate shares at the ASE takes place on two markets: the First Market and the Second Market. The markets are divided according to liquidity and company profit criteria.

By virtue of the provisions of Article 24/b/7 of the ASE Bylaws of 2004, the ASE issued the Dispute Resolution Directive (DRD).

The DRD allows for disputes arising between ASE members and their clients and between ASE members as regards financial brokerage activities to be resolved through arbitration procedures at the ASE, provided that they meet the requirements of the DRD. However, according to the provisions of the DRD, disputes to which the ASE is party will not be subject to arbitration procedures.

Pursuant to the DRD, any party wishing to resort to arbitration should submit a request to the secretary of the ASE. The following day, the secretary of the ASE will serve on the respondent a copy of the request and its attachments to enable the latter to present their response, which must be presented within five working days of receiving the request.

The appointment of the arbitrator(s) is a matter that is also regulated by the DRD. The claimant and the respondent can agree on a single arbitrator to hear the dispute. If they do not so agree within seven days of serving the respondent with the arbitration request, the chairman of the board of the ASE will appoint a single arbitrator. If the parties do not agree on appointing a single arbitrator, the dispute will be referred to three arbitrators.

Once the procedures of exchange of documents and selection of arbitrators are complete, the secretary of the ASE will submit the dispute file to the Arbitration Panel.

The DRD also governs procedural matters regarding the venue and applicable law of arbitration. Proceedings will be conducted in Amman – specifically, at the premises of the ASE – unless the parties agree otherwise. The Arbitration Panel shall apply the relevant Jordanian legislation on the subject matter of the dispute. Proceedings will be conducted in Arabic unless the parties agree to use another language. The Arbitration Panel shall be responsible for the session proceedings. The minutes of the meetings shall be signed by the president of the Arbitration Panel and by the minute-taker.

The DRD grants any of the parties the right to petition to any judicial authority to take provisional or preventive measures, according to the provisions of Jordanian law, before the initiation of arbitration proceedings. This will not be in contravention with the arbitration agreement nor will it infringe on the Arbitration Panel's power.

Pursuant to the DRD, the Arbitration Panel must issue its final award no later than 20 days after the date the file was submitted to it. On the basis of a convincing request from the Arbitration Panel, the board may extend the period for a maximum of 20 additional days.

The arbitration award will be issued in an original copy, which must be deposited by the Arbitration Panel with the secretary of the ASE. Upon receipt thereof, the secretary of the ASE will call in the parties to pass on the award to them. The secretary of the ASE will deliver a certified copy of the arbitration award to any

party upon request, provided that one or both of the parties have paid the arbitration expenses in full.

The DRD is one of the outcomes of the continuous revision of the ASE's regulations and instructions to keep pace with an increasingly globalized market place, and to secure continuous efficiency, transparency and investor protection.

## Corporate and commercial

### Recommended firms

Tier 1

**Ali Sharif Zu'bi & Sharif Ali Zu'bi**

Tier 2

**Dallal & Associates**

**Nabulsi & Associates**

**Obeidat & Freihat**

**Rajai KW Dajani & Associates**

Tier 3

**Ibrahim Bakr Law Office**

**Office of Anis F Kassim**

### Ali Sharif Zu'bi & Sharif Ali Zu'bi

Even the competitors of Ali Sharif Zu'bi & Sharif Ali Zu'bi are prepared to admit that the firm "should be the top firm in every category". Given that the practice is the largest in Jordan and "has the biggest portfolio of work and clients," it is easy to see why. The firm has affiliated offices in Iraq, Syria, Lebanon and Bahrain, giving it considerable presence throughout the Middle East. Its experienced lawyers are regularly selected by the Jordanian government to advise on business legislation, especially the Companies Law and Securities Law.

Many of Ali Sharif Zu'bi & Sharif Ali Zu'bi's prestigious clients are involved in banking, where the firm is probably strongest. Representative banking and finance clients include Citibank, the Arab Banking Corporation (ABC), the Export & Finance Bank, Audi Bank, Merrill Lynch and HSBC. But the firm has some leading commercial multinationals on its client roster as well, including Pepsi, Phillip Morris, Siemens and Motorola.

The bulk of the firm's largest banking transactions over the past year have involved advice on syndicated loan facilities. It acted on behalf of Crédit Agricole Indosuez as arranger and security agent of a facility to acquire shares in Arab Bank, and represented the Export & Finance Bank in connection with a \$32 million syndicated loan to Aramex International of Bermuda. The firm subsequently advised New Generation Telecommunications when it was granted a \$70 million facility by the Export-Import Bank and the Export & Finance Bank.

On the corporate and commercial side, the highlight for Ali Sharif Zu'bi & Sharif Ali Zu'bi was representing Mawared in relation to its \$700 million joint venture arrangement with Saudi Oger. Another high-profile transaction saw the firm

acting for the Sultan Centre of Kuwait in connection with its acquisition of 80% of a major retail chain in Jordan.

In project financing, meanwhile, the firm advised a Franco-American Ondeo-led consortium in respect of its negotiations with the Jordanian government for the development of a wastewater treatment plant. USAID and a syndicate of banks (led by the Arab Bank) are underwriting the \$170 million operation.

Ali Sharif Zu'bi & Sharif Ali Zu'bi has a strong set of lawyers. Khaled Asfour is the leading project finance specialist, while Lyad Zawaideh is adept at complex corporate and commercial transactions. The overall star, however, is Sharif Ali Zu'bi himself, variously referred to as "one of the best," "hardworking" and "very capable".

### Leading lawyers

Khaled Asfour

Aiman Odeh

Lyad Zawaideh

Sharif Ali Zu'bi

### Key contact partner

Khaled Asfour

### Dallal & Associates

Dallal & Associates was founded in Amman in 1952, and since then has developed into one of the country's leading corporate legal advisers. From among the team, peers picked out Mubadda Dallal as being the firm's most prominent lawyer, and he was praised highly.

One of the firm's core strengths is its banking practice. Erroneous reports provided to us in connection with the research process last year suggested that Dallal & Associates' banking practice had suffered following the loss of key client the Arab Bank. However, research this year has shown that the firm has never had the Arab Bank as a client, and in fact its visibility in Jordan's banking market has recently been going from strength to strength following instructions from several new clients.

Among those new clients are Citibank, Nomura and the Bank of Wachovia; shortly before going to press the firm also announced that it had been appointed as the general counsel to the Trade Bank of Iraq, which was set up in 2003 and is Iraq's most creditworthy financial institution.

The firm also continued to win instructions from its existing clients, including Saudi Oger, Gillette and Amadeus. Over the past year the firm has worked on number of facility agreements and syndicated loans, the largest of which was worth in excess of \$350 million.

Dallal & Associates has been extremely active over the past year in many areas of corporate and commercial law. In one highlight, the firm represented CH2M Hill in relation to a multi-million dollar project for the benefit of the Jordanian Armed Forces, and in another it advised on a merger between the company that owns the Marriott Hotel and a Jordanian company, the value of the merger being in excess of \$28 million.

In the IT and telecoms sector, meanwhile, the firm has also put in an impressive performance. It has recently been appointed as the advisor to Intaj, an association set up to promote IT sector issues, and helped with the negotiations allowing Play 99.6FM, one of the first and leading English radio stations in Jordan, to obtain a broadcasting licence from the Telecommunications Regulatory Commission (the TRC). At the time of writing the firm was working on the issue of another radio licence from the TRC for one of its clients. In other telecoms sector highlights, Dallal & Associates has also been acting for the Bahraini telecom company ViaCloud, and Info2cell, the region's largest value added mobile service provider, recently appointed the firm as its counsel.

The firm's prestigious client list includes such well-known international organizations as Omya, Gillette, Coca-Cola, Suzuki, Toyota, MBC, Zenith and Mitsubishi.

#### **Leading lawyer**

Mubadda Dallal

#### **Key contact partner**

Mubadda Dallal

#### **Nabulsi & Associates**

Nabulsi & Associates is a medium-sized firm of two partners and seven associates, with an excellent reputation for providing advice on corporate, commercial and banking matters. Managing partner Omar Nabulsi has held several cabinet posts and was formerly a senator of the Jordanian Senate's legal committee, as well as ambassador to the UK and the Netherlands. He is a conciliator and arbitrator on the panel of the World Bank. Lana Salameh is also highly regarded for her corporate and intellectual property expertise.

The firm regularly advises the International Finance Corporation (IFC) on its project finance work in Jordan. And last year it advised Dolphin Energy in connection with the financing of a \$160 million gas pipeline development.

Nabulsi also produced a due diligence report for Reliance Energy, India's largest electricity generating company, in relation to the privatization process of the Central Electricity Generating Company (Cegco). Reliance Energy purchased 51% of the shares in Cegco from the Jordanian government.

The firm represents a diverse range of domestic and international corporate clients, including Standard Chartered Bank, Bank of New York, American Express, BAE Systems, Motorola, Cisco Systems, Samsung Electronics, Philips International, Procter & Gamble, and Del Monte.

#### **Leading lawyers**

Omar Nabulsi

Lana Salameh

#### **Key contact partners**

Omar Nabulsi

Lana Salameh

#### **Obeidat & Freihat**

Obeidat & Freihat boasts an impressive range of international clients, largely thanks to star practitioner Thamer Obeidat, described by peers as "a very good lawyer" who "really knows his stuff". The firm continues to go from strength to strength, especially in the banking sector, where it counts the National Bank of Kuwait, the Central Bank in Jordan and HSBC among its list of regular clients.

#### **Leading lawyer**

Thamer Obeidat

#### **Key contact partner**

Thamer Obeidat

#### **Rajai KW Dajani & Associates**

Senior partner Rajai K W Dajani founded this solid firm in 1990. It now employs two partners and seven associates. Founding partner Dajani is a former minister of transport and minister of the interior, and has been a member of the International Court of Arbitration since 2000. He has considerable experience in drafting regulations and analysing legislation. His colleague Yousef Khalilieh, the firm's managing partner, is a business and foreign investment expert.

The firm is regularly involved in the negotiation of contracts and joint ventures for government water, energy, telecommunications or privatization projects. Other specializations of the firm include M&A, maritime law, intellectual property and commercial litigation.

Over the past year, Rajai K W Dajani advised Mitsui & Co of Japan on the tender for supply of water pipes to the Ministry of Water and Irrigation, and acted on the merger of the two largest Jordanian IT companies. It also represented Jordan Gateway Projects, a Dutch-Jordanian joint venture company, in setting up an industrial free zone park in the Jordan Valley for commercial and industrial use.

The firm's client list is excellent, and includes such heavyweights as General Motors, General Electric, Bridgestone Corporation, Fuji Photo Film and Johnson & Johnson.

#### **Leading lawyers**

Rajai K W Dajani

Yousef S Khalilieh