



Regulation No. (115) for the Year 2018

The Regulation of Mutual Funds

**Issued in Accordance with Paragraph (B) Article (97) of the
Securities Law No. (18) for the Year 2017**

Article (1)

This Regulation shall be known as (The Regulation of Mutual Funds for the Year 2018) and shall come into effect as of the date of its publication in the Official Gazette.

Article (2)

A. The following words and phrases wherever mentioned in this Regulation shall have the meanings ascribed thereto hereunder unless the context indicates otherwise:

- **The Law:** The Securities Law.
- **The Commission:** The Securities Commission.
- **The Board:** The Board of Commissioners of the Commission.
- **The Chairman:** The Chairman of the Board.
- **The Financial Market:** Any Trading Market in Securities licensed by the Commission in accordance with the provisions of the Law.
- **The Center:** The Securities Depository Center.

- **The Fund:** The Mutual Fund established and registered with the Commission, and operating in accordance with the provisions of the Law, this Regulation and instructions issued pursuant thereto.
- **Islamic Investment Fund:** The Fund, whose Articles of Association and prospectus, provide for its commitment to the application of the provisions of the Islamic Shari'a and principles in its activities and businesses.
- **Net Asset Value:** The value of the Fund's assets deducted from the Fund's liabilities.
- **Investment Unit:** A security issued by the Fund representing a common share in the net asset value of the Fund.
- **Value of Investment Unit:** Net asset value of the Fund divided by the number of the Fund's existing investment units.
- **The General Assembly of the Fund:** The Investment unit holders of the Fund.
- **Investment Manager:** The legal person licensed by the Commission to undertake the businesses of investment management in accordance with the provisions of the Law.
- **Investment Trustee:** Any legal person engaged in the business of administering and monitoring the management of a client's investments so as to ensure their conformity with the client's investment principles and objectives

specified in the investment agreement concluded between the client and the Investment Manager.

- **Custodian:** Any legal person licensed by the Commission engaged in the businesses of providing Safe Custody in accordance with the provisions of the Law.
- **Affiliate Company:** A company that controls another company or is controlled by the other company, or which, together with that company is controlled by another company.

B. The definitions mentioned in the Law shall be adopted wherever mentioned in this Regulation.

Article (3)

- A.** The application for the registration of the Fund shall be submitted to the Commission by the Investment Manager enclosed therewith the following:
1. The Articles of Association.
 2. The prospectus of the Fund and a summary of the prospectus.
 3. Any agreements relating to the Fund, including the Investment Trusteeship, the Auditor and the Safe Custody.
 4. Any additional information required by the Commission.
- B.** The Commission shall review the Articles of Association of the Fund, its prospectus and comments thereon within a period not exceeding fifteen business days from the date of submission thereof, and inform the Investment Manager of its comments.

- C. The Board shall issue its decision approving or rejecting the registration of the Fund and enforcing its prospectus within thirty days as of the date of submitting a complete application.
- D. The Commission shall register the Fund in the register for this purpose and issue the registration certificate after the Investment Manager has paid the fees provided for in the Regulation Fees of the Jordan Securities Commission.

Article (4)

The Fund's Articles of Association shall include the following data as minimum:

- A. The name of the Fund.
- B. The duration of the Fund.
- C. The type of the Fund.
- D. The objective of the Fund.
- E. The capital of the Closed-end Fund or the minimum limit of the capital of the Open-end Fund.
- F. The value of the investment unit upon establishment.
- G. The Fund's investment policy including the principles and criteria for diversifying the investments of the Fund.
- H. The policy and method of managing the Fund and making decisions.
- I. The name of the Investment Manager, the Investment Trustee, the Underwriter and the Custodian (if any) and the date of their license with the Commission, and a brief description thereof, and all remunerations, fees and commissions that each of them shall

receive from the Fund and the bases of calculation and due dates thereof.

- J.** The Fund's Cash Dividends Policy.
- K.** The bases of calculating the net asset value of the Fund.
- L.** The dates of calculating and announcing the value of the investment unit of the Open-end Fund.
- M.** The method of calculating the purchase price and redemption price of the investment unit of the Open-end Fund.
- N.** The periodic appointments and procedures for the issuance and redemption of Fund's investment units.
- O.** The nature of the information to be announced by the Fund.
- P.** The Liquidation and merger cases of the Fund and procedures thereof.

Article (5)

- A.** The prospectus for the Fund shall include the following data as minimum:
 - 1.** The name, type, capital, duration and objective of the Fund.
 - 2.** A Compendium of the Fund's Articles of Association.
 - 3.** The conditions of subscription to the Fund's investment units and procedures thereof.
 - 4.** The mechanism of allocating investment units of the Closed-end Fund in case of an increase in the units subscribed to the Fund's capital.
 - 5.** The name of the Investment Manager, the Investment Trustee, the Underwriter and the Custodian (if any), and

previous experiences thereof of managing and supervising Mutual Funds.

6. The names of Registered Persons with the Investment Manager and Investment Trustee who are responsible for the Investment Management and the Investment Trusteeship for the Fund and biographies of each.
7. The name of the Fund auditor, number and date of his license, remunerations and due dates thereof.
8. Remunerations, fees and commissions of the Investment Manager and the Investment Trustee, bases of calculating and due dates thereof, and any other expenses the Fund bears.
9. A full explanation of the risks that may result from investment in the Fund's investment units.
10. The periodic reports that shall be provided to the investment unit holders, indicating the reports nature and dates.
11. The tax treatment of the Fund and the investment unit holders.

B. The Investment Manager shall, upon registering the Fund from the Board, include in the prospectus, the number and the date of its registration with the Commission.

Article (6)

A. The Fund shall take one of two forms:

1. The Open-end Fund is a Variable Capital Fund whose capital is increased through the offering of new investment units and

its capital is decreased through the redemption of its investment units within the period specified in its Articles of Association and its prospectus.

2. The Closed-end Fund is a Fixed Capital Fund whose capital is increased and decreased in accordance with the provisions of this Regulation and the Fund's Articles of Association and its prospectus.

- B.** The capital of the Fund shall be composed of the total nominal values of its investment units at the time of establishment specified in the Articles of Association of the Fund and its prospectus. The Fund's capital shall be divided into investment units with equal entitlements and payments for investment units shall be in one installment upon subscription. Holders of such investment units shall be liable in the amount of their shares in the Fund's capital.
- C.** Each investment unit shall have one vote in the meetings of the general assembly of the Fund.
- D.** The capital of the Fund shall not be less than two million Jordanian Dinars or the equivalent of that of other foreign currencies upon establishment.
- E.** The contribution percentage of the Investment Manager and his Affiliate Companies shall not be less than (5%) and not more than (25%) of the Fund's capital upon establishment. His contribution and the contribution of his Affiliate Companies shall not be disposed of before two years from the date of granting the Fund the right to commence work. His contribution and his Affiliate

Companies shall not be at any time after establishment less than (5%) of the Fund's capital.

Article (7)

The Investment Manager shall:

A. Open a bank account for the Fund and the Investment Manager shall not start to invest the moneys of the Fund prior to the Commission's granting the Fund the right to commence work.

B. :

1. Publish an announcement of the registration of the Closed-end Fund and of offering its investment units in at least two local daily newspapers or by other electronic means approved by the Board, not less than seven days from the date specified for starting the subscription and the capital of the Closed-end Fund shall be covered within the period specified in its prospectus.
2. Inform the Commission of the results of the subscription to the investment units of the Closed-end Fund and to allocate thereof according to the mechanism provided for in the prospectus.
3. Refund of surplus amounts to subscribers with the Closed-end Fund capital and the bank interests received if any, within ten business days from the date of allocating investment units.

4. Complete the procedures of the issuance of the investment units of the Closed-end Fund within twenty business days from the date of closing the subscription.

C. :

1. Publish an announcement of the registration of the Open-end Fund in at least two local daily newspapers or by other electronic means approved by the Board within a period of not more than seven business days from the date of notifying the Investment Manager of the registration of the Fund. The Open-end Fund shall commence offering its investment units and its minimum capital shall be covered within one month from the date of notifying the Investment Manager of the registration certificate.
2. Inform the Commission of the results of the minimum capital coverage of the Open-end Fund within a maximum period of one month from the date of its registration certificate.

D. Announce the subscription results in at least one local daily newspaper.

Article (8)

Upon completion of the Fund for the procedures of offering, subscribing and allocating investment units, the Commission shall grant the Fund the right to commence work.

Article (9)

- A.** In the event that the Fund fails to cover the minimum capital required pursuant to this Regulation, the Board shall cancel its registration, unless the Investment Manager submits a written request to the Commission to grant the Fund an additional period to re-offer its unsubscribed investment units. The registration of the Fund shall be cancelled after the time period ends if the minimum capital is not covered.
- B.** In the event that the registration of the Fund is cancelled in accordance with the provisions of Paragraph (A) of this Article, the Investment Manager shall refund the whole amounts to the subscribers and the bank interests received, if any, within ten business days from the date of cancelling the registration of the Fund.

Article (10)

- A.** The Fund shall complete the registration procedures of its investment units with the Center within twenty business days from the date of closing the subscription in accordance with the instructions in force at the Center.
- B.** The Closed-end Fund shall submit an application to list its investment units in the Financial Market within five business days of completing its registration procedures with the Center in accordance with the provisions of the Instructions of Listing Securities in force at the Financial Market.

Article (11)

The Fund shall comply with the following:

- A.** Announce the value of the investment unit of the Fund at the specified times.
- B.** Disclose material matters or events that shall have an impact on the Funds profits and its financial position promptly upon occurrence and provide the Commission with a complete report thereof.
- C.** Disclose periodic financial statements through the Investment Trustee.
- D.** Provide the Commission with a statement of the Fund's assets and percentages compared to the determinants of investment at the end of the period of the Fund's financial statements with disclosure in a separate item from the Fund's investments in its Affiliate Companies.
- E.** Inform the Commission and the Financial Market of the dates of the meetings of the Fund's general assembly, results and agenda.
- F.** Disclose the number of the issued investment units existing at the end of the previous month, the number of issued or redeemed investment units and the outstanding balance of units at the end of each month.
- G.** Provide all documents related to the Fund, including its Articles of Association and its prospectus, and any papers the Investment Manager deems necessary on the Fund's website or on the website

of the Investment Manager and provide the Commission with an electronic copy thereof.

H. Any disclosure requirements the Board deems necessary to protect investors.

Article (12)

The Open-end Fund shall keep a liquidity percentage of not less than (10%) of its assets to fulfill any requests for redemption of the investment units. Liquidity for the purposes of this Article shall mean Cash Assets and Treasury Bills.

Article (13)

The Investment Manager shall perform the following duties:

- A.** Submit the application for establishing the Fund to the Commission.
- B.** Prepare the Fund's Articles of Association.
- C.** Prepare and summarize the prospectus of the Fund and offer its investment units for subscription and he may contract with the Underwriter to perform such duties.
- D.** Contract with the Investment Trustee, the auditor and any other entities to enable the Fund to carry out its businesses.
- E.** Manage the Fund's assets in accordance with the investment policy provided for in the Fund's Articles of Association and its prospectus, in a manner that shall not contradict with the provisions of the Law and this Regulation and the instructions and decisions issued pursuant thereto.

- F.** Develop regulations for internal control, risk management and accounting procedures, and continuously update such in conformity with the nature of the work.
- G.** Set the rules of professional conduct for his employees and supervise them and monitor their personal dealings in securities, in order to ensure their compliance with the provisions of the Law and the regulations and decisions issued by the Commission, especially those related to honesty, integrity and conflict of interest.
- H.** Set the rules necessary to organize the buying and selling of his employees of the investment units issued by the Fund and the Funds that he manages its businesses.
- I.** Calculate the net asset value of the Fund, offer and redeem investment units, and determine and redeem the price of the investment units of the Open-end Fund.
- J.** Prepare the periodic financial statements of the Fund.
- K.** Distribute the cash dividends according to the policy of distributing cash dividends provided for in the Fund's Articles of Association and its prospectus.
- L.** Represent the Fund on behalf of others and in court.
- M.** Pay all the establishment expenses until the Board issues the right to commence work for the Fund and he shall redeem such expenses provided for in the Articles of Association of the Fund and its prospectus.

- N. Disclose no later than the next business day of any transaction that shall create a change in the ownership percentage of the investment units.
- O. Provide the Commission with a monthly report on the performance of the Fund no later than the fifth business day of the end of the month and disclose such on the Fund's website.

Article (14)

The Investment Trustee shall perform the following duties:

- A. Monitor the Investment Manager's compliance with the investment policy provided for in the Fund's Articles of Association and its prospectus, and monitor the application of legislations in force to the benefit of the investment unit owners and notify the Commission of any violations concerning this.
- B. View the Investment Manager files and records related to the Fund and he may request any information necessary to protect the investment unit owners.
- C. Provide the Commission with the periodic financial statements of the Fund.
- D. Ensure that the offering and redemption processes, the calculation of the net asset value, the value of the investment unit and any other procedures are in accordance with legislations in force and the Fund's Articles of Association and its prospectus.

Article (15)

- A.** No person shall practice the businesses of the Investment Management and the Investment Trusteeship or the Safe Custody of the Fund itself, nor shall the Affiliate Company of the Investment Manager practice the businesses of the Investment Trusteeship or the Safe Custody of the Fund itself.
- B.** It shall be prohibited for the Investment Trustee or any of his Affiliate Companies to own the investment units of the Fund itself or to have any beneficial interest in any dealing in favor of the Fund.
- C.** The Investment Manager shall not collect any amounts or commissions from the Fund contrary to the Articles of Association of the Fund and its prospectus, and he shall not charge the Fund any unjustified additional expenses.

Article (16)

The subscription to the Fund's investment units shall be considered as a confirmation by the Subscriber of the approval of the Articles of Association of the Fund and its prospectus.

Article (17)

- A.** The value of the investment unit of the Closed-end Fund shall be calculated at least once a month and disclosed to the Commission at maximum prior to the trading session for the next business day of the date of calculation.
- B.** The investment units shall be offered and redeemed to the Open-end Fund based on their value at the specified date.

C. The Investment Manager of the Open-end Fund may postpone the redemption applications for reasons not mentioned in the prospectus, provided having the Board's approval.

Article (18)

A. The Fund shall be prohibited from the following:

1. Invest more than (10%) of the value of the Fund's assets in securities issued by one issuer, except for government securities or guaranteed thereof and not exceeding (50%) of the value of the Fund's assets.
2. Lend directly or indirectly the assets of the Fund, excluding lending the Fund's securities in accordance with the Instructions of Lending, Borrowing and Short Sale of Securities in force.
3. Own more than (20%) of the securities issued by one issuer or the Affiliate Companies of that issuer.
4. Own shares issued by the Investment Manager or the Investment Trustee or any of their Affiliate Companies or in any other fund managed by the Investment Manager.
5. Invest more than (5%) of the value of the Fund's assets in the subscription to new companies shares or invest in any non-traded securities, excluding government securities or guaranteed thereof.
6. The percentage of investment in securities listed on Foreign Stock Exchanges issued by one issuer shall not exceed (5%) of the value of the Fund's assets. In all cases, the total investment in such Exchanges shall not exceed (75%) of the

value of the Fund's assets and the Foreign Stock Exchange shall be subject to a supervisory entity.

7. Borrow more than (10%) of the net asset value of the Fund and the Open-end Fund shall borrow an additional percentage not exceeding (5%) of the net asset value of the Fund to meet the redemption applications, provided that the borrowing period shall not exceed six months and shall not contradict with the Fund's Articles of Association and its prospectus, provided that no assets of the Fund shall be mortgaged against such borrowing.

8. Invest the moneys of the Fund at percentages exceeding any other determinants of investment provided for in the Articles of Association of the Fund and its prospectus.

B. It shall not be considered a violation of the provisions of this Regulation, if the Fund exceeds the percentages referred to in Paragraph (A) of this Article if such exceed is due to reasons beyond the Fund's control and approved by the Board.

C. The Board may, at the prior to submitted application by the Fund, allow it to exceed any of the restrictions provided for in Paragraph (A) of this Article if the investment policy of the Fund requires such or if the Board found that such action shall not harm the public interest or the interest of investment unit holders.

Article (19)

A. It shall be prohibited for the Investment Manager to amend the Fund's Articles of Association and its prospectus without obtaining the Board's approval in accordance with the following conditions:

1. Provide the Commission with a signed acknowledgement by him and by the Investment Trustee including that such amendment shall not harm the rights of the investment unit holders of the Fund and shall not detract from their liabilities and responsibilities towards investment unit holders.
2. Obtain the approval of the general assembly of the Fund in case the amendment is related to one of the following matters:
 - a) Change the investment policy of the Fund.
 - b) Increase or decrease the capital of the Closed-end Fund.
 - c) Increase any commissions provided for in the Articles of Association of the Fund and its prospectus.
 - d) Transform the Close-end Fund into an Open-end Fund.
 - e) Liquidate the Fund.
 - f) Merge the Fund.
 - g) Any other cases the Commission deems necessary to obtain the approval of the general assembly of the Fund.

B. After obtaining the Board's approval to amend the Articles of Association of the Fund, the Investment Manager and the Investment Trustee shall sign the amendment, amend the prospectus, provide the Fund's auditors with the amended Articles of Association and announce this amendment in at least one local daily newspaper and provide the investment units holders with the

amendment at least one month prior to the date specified for such amendment.

Article (20)

A. If so provided for by its Articles of Association, a Closed-end Fund may transform into an Open-end Fund, subject to making the required adjustments according to the provisions of the Law and this Regulation, subject to the following:

1. Obtain the approval of the general assembly of the Fund.
2. Provide the Commission with the new Articles of Association and the new prospectus of the Fund and submit them to the Board for approval.

B. The transform shall not be enforced without issuing a decision of the approval of the Board and providing the investment unit holders with the new Articles of Association and the new prospectus of the Fund prior to the date specified for amendment at least one month and announcing in two daily local newspapers at least once or by any other electronic means approved by the Board.

C. Trading shall be suspended and the listing of the investment units of the Closed-end Fund shall be cancelled in accordance with the Instructions of Listing Securities in force at the Financial Market.

Article (21)

The Investment Manager and the Investment Trustee shall keep the accounting records to carry out their businesses for each Fund they manage or supervise in an orderly and correct manner in accordance with the approved International Accounting Standards. The accounts and records of each Fund they manage or supervise shall be segregated from

the accounts and other records. Each of them shall comply to keep the following:

- A.** The Articles of Association of the Fund and its prospectus.
- B.** Any contracts or agreements related to the Fund.
- C.** The Register of the investment unit owners.
- D.** The financial statements of the Fund.

Article (22)

- A.** The Investment Trustee shall be changed with the approval of the Board in either of the following cases:
 - 1.** The issuance of a decision to liquidate or to bankrupt the Investment Trustee.
 - 2.** Suspend or revoke the license granted to the Investment Trustee.
- B.** In the event of any of the cases mentioned in Paragraph (A) of this Article, the Investment Manager shall inform the Commission, the auditor and the investment unit holders thereof, announce such in two local daily newspapers at least once and contract with a new Investment Trustee within a month. Otherwise the Board shall suspend the Fund from carrying its business until appointing a new Investment Trustee and obtaining the approval of the Board to resume its activity or to liquidate the Fund.

Article (23)

- A.** The Investment Trustee who wishes to discontinue carrying out his businesses as an Investment Trustee of the Fund shall submit a written justified application to the Investment Manager at least

three months in advance and send a copy thereof to both the Commission and the auditor.

- B.** The Investment Trustee who wishes to discontinue carrying out his businesses in accordance with Paragraph (A) of this Article shall continue to carry out his businesses until a new Investment Trustee is contracted with or the Fund is liquidated.
- C.** The former Investment Trustee shall be liable to compensate the owners of the investment units and others for any damages caused by negligence or default or violating the provisions of the Law or this Regulation or the Fund's Articles of Association or its prospectus during the period of assuming his duties.
- D.** The former Investment Trustee shall comply to deliver to the new Investment Trustee all the records, documents, papers, accounts and data of the Fund.
- E.** The new Investment Trustee shall be responsible for the businesses of the Investment Trusteeship as of the date of commencement of carrying out the businesses of the Investment Trusteeship of the Fund. He shall submit a report to the Commission on the businesses of the Fund during the period of the previous Investment Trustee discontinuing his businesses within two weeks from the commencement of his businesses.
- F.** The new Investment Trustee shall be entitled to the remunerations provided for in the Articles of Association of the Fund from the date of commencement of his business.

Article (24)

- A.** The accounts of the Fund shall be audited by an auditor who fulfills the special conditions of auditors of the entities subject to the Commission's monitoring in accordance with the instructions in force, provided that he shall not be auditing the accounts of the Investment Manager or the Investment Trustee.
- B.** The financial statements of the Fund shall be prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and the local legislations in force.
- C.** The Commission may, at the expense of the Fund, appoint another auditor for the Fund in cases where it deems it necessary to protect the investment unit holders.
- D.** The Fund's auditor shall not have a direct or indirect interest in the investment of the moneys of the Fund.

Article (25)

The assets of the Fund shall not be seized to guarantee or collect the liabilities of any of its investment unit holders.

Article (26)

The Islamic Investment Fund shall appoint a Sharia Advisor or a Sharia Committee in accordance with the conditions issued by the Board for this purpose.

Article (27)

The Mutual Funds provided for in this Regulation shall be merged in any of the following two ways:

- A.** The merger of one or more Funds with another Fund known as the Merged Fund. The merged Fund shall terminate, its legal personality shall cease and all rights and liabilities of the merged Fund shall be transferred to the Merged Fund after the merged Fund is cancelled.
- B.** The merger of two or more Funds to establish a new Fund, which is the Fund resulting from the merger. The Funds merged with the new Fund shall terminate, the Funds legal personality shall cease and all rights and liabilities of the merged Funds shall be transferred to the new Fund.

Article (28)

The Fund wishing to merge shall have the following:

- A.** Obtain a decision from the general assembly of the Fund to merge.
- B.** Grant a period of not less than (30) days for the investment unit holders to redeem their units in cash prior to the final merger of the Fund.
- C.** Prepare a report on the merger by the Fund's auditor including the asset value and liabilities, the net asset value of the investment unit and the percentage of replacement in the Fund resulting from the merger, provided that such is disclosed to owners of units.
- D.** Conclude a merger agreement signed between the Funds wishing to merge including at least the following:
 - 1.** The type, form and reason of merger.
 - 2.** The effect of the merger on investment unit holders of the two merged Funds.

3. How to assess the assets and liabilities of the merged Funds and the percentage of replacement and how to calculate it.
 4. The valid date of the merger.
- E.** Prepare a prospectus for the Merged Fund or the Fund resulting from the merger.
- F.** Transfer all the moneys, rights and liabilities of the merged Funds prior to the merger process to the Merged Fund or to the Fund resulting from the merger.
- G.** Replace the units of the two merged Funds with the units of the Fund resulting from the merger if such merger is in the manner provided for in Paragraph (B) of Article (27) of this Regulation.
- H.** Provide sufficient information to owners of investment units of the merger prior to (30) days from the valid date of the merger provided that such is disclosed to owners of investment units, including at least the following:
1. The reasons for merger and its form.
 2. The effect of the merger on owners of investment units in terms of costs and change in investment policy.
 3. Any rights resulting from the merger such as redemption and others.
 4. The procedures to complete the merger and the date of its commencement.
 5. The prospectus.

Article (29)

Upon completion of the merger procedures provided for in Articles (27) and (28) of this Regulation, the Board shall issue its decision to cancel the

merged Funds. In case the Fund is a result of the merger, the new Fund shall be registered and its prospectus shall be enforced in accordance with the provisions of this Regulation.

Article (30)

- A.** The Fund shall be liquidated under the Commission's supervision, follow-up and monitoring.
- B.** The Fund shall be liquidated voluntary after obtaining the approval of the general assembly of the Fund for liquidation.
- C.** The Fund's Investment Trustee shall liquidate the businesses of the Fund and in case such is impossible, the Commission shall appoint another liquidator at the expense of the Fund, provided that the Liquidator shall proceed with the liquidation businesses from the date of being appointed.
- D.** During the course of the voluntary liquidation procedures, the liquidator may invite the general assembly of the Fund to obtain its approval for any matter the liquidator deems necessary, including refraining from liquidating the Fund, and upon the application submitted to him by persons holding at least (25%) of the Fund's investment units the liquidator may invite the general assembly of the Fund to discuss the liquidation procedures.

Article (31)

The Fund shall be liquidated compulsory by a decision of the Board in the following cases:

- A.** The duration of the Fund is terminated.
- B.** The Fund ceased to carry out its businesses for three months without a legitimate reason.

- C.** If the Investment Manager of the Fund commits serious violations of the provisions of the Law or this Regulation or the Articles of Association of the Fund or its prospectus.
- D.** If the net asset value of the Fund reaches one million Jordanian Dinar unless it is decided to increase its capital or to merge.
- E.** The Investment Manager of the Fund is liquidated or his license is revoked or bankrupt.
- F.** If it is impossible to choose an Investment Trustee for the Fund within three months from the date of the Board's suspension of the Fund from work.

Article (32)

The Liquidator shall, within fifteen days from the date of the issuance decision to liquidate voluntary or compulsory, publish an announcement of the liquidation in two local daily newspapers at least twice or by any other electronic means approved by the Board, to notify the Fund's creditors of the necessity of submitting their claims to the Fund within two months from the date of publishing the announcement for the first time.

Article (33)

The liquidator shall perform the following procedures to liquidate the Fund in cases of compulsory or voluntary liquidation:

- A.** Manage the businesses of the Fund within the limits required by the liquidation procedures without any other businesses.
- B.** Appoint any experts and persons to assist him in completing the liquidation procedures if necessary.

- C. Inventory of the Fund and its assets and limit its liabilities.
- D. Undertake any legal procedures in the name of the Fund and on its behalf to collect its debts and maintain its rights, including litigation and the appointment of an attorney for the Fund.
- E. Provide the Commission with accounts certified by the Fund's auditor of amounts the liquidator has received or paid.
- F. Organize a list of the names of debtors and prepare a report on the businesses and procedures taken by the liquidator to claim outstanding debts to the Fund to others.
- G. Payment of debts incurred by the Fund to others.
- H. Observe the decisions issued by the Commission related to the liquidation businesses.

Article (34)

- A. The liquidator shall add the phrase "under liquidation" to all the Fund's papers and correspondences.
- B. The legal personality of the Fund shall continue and shall be represented by the liquidator until the liquidation of the Fund ends and its registration is cancelled.
- C. In the event of the bankruptcy or liquidation of the Investment Manager or the Investment Trustee, the assets of the Fund shall not be included in their bankruptcy or their assets. In the event of sequester of the moneys of the Investment Manager or the Investment Trustee, such sequester shall not include the assets of any Mutual Fund managed or supervised by them.

- D.** The following acts and businesses shall be deemed invalid if they are made after the issuance of the compulsory or voluntary liquidation decision:
- 1.** Any disposition of the moneys or assets of the Fund contrary to the in force legislations.
 - 2.** Any transfer or assignment of moneys or assets of the Fund or conduct any fraudulent act to favor some of the Fund's creditors to others.
- E.** Every person who is found to have violated the provisions of Paragraph (D) of this Article, or if it is found that some of the businesses of liquidation were intended for fraud against the creditors of the Fund, shall have criminal and civil liability.
- F.** If the liquidation does not end within six months of commencing its procedures, the liquidator shall submit to the Commission a statement including details relating to the liquidation and the stage reached. In all cases, the liquidation period shall not exceed two years unless there are justified causes for such, subject to the approval of the Board to extend such period.
- G.** The Commission shall issue a decision to cancel the registration of the Fund after the liquidation procedures end. The liquidator shall announce such in two local daily newspapers at least once. The Commission shall cancel the registration of the Fund from the Mutual Fund Register.
- H.** The Investment Manager and the Investment Trustee of the cancelled Fund registration shall keep the records of the Fund's

accounts for a period not less than ten years after cancelling its registration.

Article (35)

Mutual Funds registered prior to the issuance of this Regulation shall make the required adjustments according to the provisions of the Law and this Regulation within a period not exceeding one year from the date of commencement of this Regulation.

Article (36)

The Board shall issue the instructions necessary to implement the provisions of this Regulation, including regulating and supervising the meetings of the general assembly for Funds.