



Jordan Securities Commission

Special Purpose Company Regulation
Regulation No. 44 for the year 2014
Issued under paragraph B of Article 10 of the Islamic
Finance Sukuk Law No.30 for the year 2012



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Article 1

This regulation shall be named the "Special Purpose Company Regulation" of 2014, and it shall come into force as of the date of its publication in the Official Gazette.

Article 2

A. The following words and phrases, wherever they appear in this regulation, shall have the meanings ascribed to them hereunder, unless the context indicates otherwise:

Law: The Companies Law.

Controller: The Companies Controller General.

Board: The Board of Commissioners of the Jordan Securities Commission established under the Islamic Finance Sukuk Law.

Commission: The Central Sharia Supervisory Commission established under the provisions of the Islamic Finance Sukuk Law.

Company: A special purpose company established in accordance with the provisions of this regulation.

B. Definitions contained in the Islamic Finance Sukuk Law shall apply where the text refers to them in this regulation.



Article 3

The company shall assume the type of a private shareholding company as defined in the Law.

Article 4

A. After company received the approval of the Board for its creation, the procedures of its establishment, registration and changes that it may go through shall be subject to the procedures of approval, registration and publication prescribed in the Law and the special provisions in this regulation.

B. The application for registration of the company shall be submitted to the Controller in accordance with the approved special form, accompanied by the charter and memorandum of association, stating the type and objectives of the company and any other documents or data requested by the Controller.



- C. The company shall be registered at the Companies Control Department in a special register called the 'Special Purpose Companies Registry' which gives the company a serial number sequentially by the date of registration, and documents any amendment or change to them.
- D. Identifies the company's capital as stipulated in the memorandum of association and its statute.
- E. It is not permissible to list or trade in shares of the company in any financial market within the Kingdom or abroad.
- F. The company may not merge with other companies.
- G. With due consideration to the provisions of the Law it is not permissible to liquidate the company or cancel its registration except after the approval of the Commission and with the decision of the Board

Article 5

The company is committed to comply with the following:

- A. To have an actual head office within the Kingdom.
- B. To provide the Controller and the Board with the address of its head office, its mailing address for notifications, its telephone numbers and PO Box and any changes that occur to any of them within one month of this change subject to legal liability.
- C. To include its trade name and address plus the phrase: 'special purpose' on all letterheads and publications that it uses in its business and in contracts concluded with others.



- D. To keep at its head office on a regular basis its correspondence and special records in which it documents minutes of its meetings and decisions, income and expense account, and all its assets and activities.
- E. To inform the Board of the names of its members of the board of directors, general manager, executive managers, and any vacancy that occurs in any of these positions.
- F. To provide the Board and Controller with copies of the minutes of its meetings of the board of directors and decisions taken related to the election of the company's chairman and vice chairman of the board of directors, the names and model signatures of board members who are authorized signatories for the company within seven days of taking these decisions.

Article 6

- A. When ownership of the assets is transferred to the company the company is committed to request the authorities concerned to place a restriction stating that these assets are for the purposes of issuing Islamic finance Sukuk, and they may not be disposed of, by selling or mortgaging, foreclosure or attachment.
- B. The Board shall not issue its approval of the prospectus except after verifying the existence of the restriction referred to in paragraph A of this Article.
- C. It is not permissible to lift the restriction provided for in Paragraph A of this article except with the approval of the Board in any of the following cases:



- i. Rejection of the request to approve the prospectus.
- ii. Non-completion of the issuance of Islamic finance Sukuk for non-coverage or any other reason.
- iii. Early redemption of the Islamic finance Sukuk.
- iv. Optional liquidation of the project between the Sukuk owners and the issuer.
- v. Final redemption of the Islamic finance Sukuk.
- vi. Any other case approved by the Board.

Article 7

A. The company that manages the project shall submit to the Board, Controller, and Commission within the first three months of the beginning of the following financial year the following:

- i. The company's annual budget and closing financial statement approved by its board of directors and auditors.
- ii. A report containing its work and activities during the previous financial year and work plan for the project during the following year.

B. The company shall provide to the Board, Controller, and Commission every six months an audited report showing the financial position of the project.

Article 8

A. The chairman and members of the board of directors, their representatives, or its general manager shall fulfill the following conditions:

- i. To be not less than twenty-five years old.



- ii. Not to have been convicted of a felony or misdemeanor involving moral turpitude or public ethics.
- iii. Not to have been convicted of bankruptcy and not yet rehabilitated.
- iv. Not to be a member of the board of directors of a company similar in its work to the company, or to work in a company similar in its goals or that competes with the company.
- v. Not to have any direct or indirect interest in the contracts and projects concluded with the company or on its behalf.
- B. The chairman or any member of the board or the general manager of the company may not be changed except after the approval of the Board.

Article 9

- A. The Controller may form committees to audit the company's business and financial accounts at the company's own expense and inform the Board of the decision to set up this committee and the results of its operations.
- B. The company is subject to the supervision of the Board in accordance with the provisions of the Securities Law and regulations, instructions and decisions issued pursuant thereto.
- C. The project and the company that operates it are subject to the control of the Commission to ensure compliance with the provisions and principles of Islamic Sharia.

Article 10

The Controller may, after seeking the opinion of the Board,



dissolve the board of directors of the company and form an interim administration committee of people with experience and competence for a period of six months renewable twice at the company's expense in any of the following cases:

- A. If the project faces financial or administrative difficulties or if it suffers material losses that severely affect the rights of sukuk owners, or if the company commits acts detrimental to the public interest or the interests of sukuk owners.
- B. If the chairman of the company, which manages the project, or any members of the board or the director general abuses his powers and position in any way to achieve for himself any other person any illegal benefit, or if any of them performs an act that involves manipulation or is considered to constitute embezzlement, fraud or abuse of trust that harms the rights of sukuk owners.
- C. If any of the people referred to in Paragraph B of this Article refrains from performing an act required by the Law.

Article 11

In cases other than those provided for in this regulation, the provisions of the Law shall apply to the company for the purpose of its founding, performance of its activities, carrying out its work and control, provided there is no conflict with the principles and provisions of Islamic Sharia.

Article 12

The Board shall issue the necessary instructions to implement the provisions of this regulation.