



هيئة الأوراق المالية
Jordan Securities Commission

Annual Report 2016



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Jordan Securities Commission



An administration which can achieve objectives at lower cost and in less time is a judicious administration which helps create effective and specialized institutions acting with team spirit under efficient and able leadership marked by integrity, placing the public interest above all other considerations. It is one that is characterized by justice, initiative and creativity, focusing on fieldwork, confronting problems before they arise and before they became too complicated to solve. This administration should be free of the ills of exploitation, favoritism, and manipulation.

Public administration requires restructuring to prevent any overlapping of duty and duality and also calls for the choice of leaders and employees on the basis of efficiency, experience and integrity, free of factionalism and fanaticism for any purpose or party.

His Majesty King Abdullah II bin Al-Hussein
March 4 1999



His Royal Highness Prince Hussein bin Abdullah II



Vision

A national capital market characterized by fairness, transparency and efficiency.

Mission

To supervise and develop the capital market by regulating issuance, disclosure, financial services activities, and dealing in securities according to the most up-to-date standards and international best practices with the aim to enhance the investors protection and the capital market contribution to the national economy.

Objectives

1. To regulate and develop the national capital market.
2. To protect investors in securities.
3. To protect the capital market from any dangers.



The members of the Board of Commissioners of Jordan Securities Commission (JSC)

Mr. Mohammed Saleh Hourani Chairman



Mr. Mohammed Saleh Hourani assumed his duties as the Chairman of the Board of Commissioners of Jordan Securities Commission (JSC) on September 1st, 2012. Mr. Hourani previously assumed several posts in numerous ministries & institutions as follows:

In 2002 to 2012, Mr. Hourani assumed his duties as the Chairman of the Board of Directors of Amman Stock Exchange (ASE). In 1997 to 1999, Mr. Hourani assumed his duties as Minister of Energy & Natural Resources. In 1998 to 1999, he became the Minister of Industry & Trade.

In 1994 to 1997 & in 1992 to 1994, Mr. Hourani assumed his duties as General Manager of two institutions: Al-Sharq Investment Projects Company & the Social Security Corporation, respectively.

In 1989 to 1992, Mr. Hourani assumed his duties as Deputy Governor of the Central Bank of Jordan.

Mr. Hourani was appointed as chairman & member of boards of directors of several public shareholding companies & public institutions in the investment & development sectors.

Mr. Hourani was a part-time lecturer in Amman Private University & the Institute of Banking Studies & participated in many economic seminars & conferences. Mr. Hourani was bestowed the Medal of the Star of Jordan of the First Order. He is a holder of a Master degree in Management from the University of Southern California, Los Angeles, U.S.A. in 1973.



**Deputy Chairman
Mansour Haddadin**



Mr. Haddadin is the Deputy Chairman of Jordan Securities Commission since September 1st, 2012. Prior to that date, Mr. Haddadin served as a member of the JSC's Board of Commissioners since 1/9/2007. He served as the Deputy Chairman of the Board of the Amman Stock Exchange (ASE) since 1/9/2002.

In 1966, Mr. Haddadin assumed several duties at the Ministry of Finance. His last post at the Ministry of Finance was the Director of Finance. On the 1st of November, 1991 Mr. Haddadin assumed his duties as the General Director of the Income Tax Department for eight consecutive years.

From 1982 to 1990, Mr. Haddadin represented the Ministry of Finance in the Administrative Committee of the Amman Financial Market. In 2000 & 2001, Mr. Haddadin was a lecturer in the Faculties of Law and Business Administration at the University of Jordan. He represented the Government in a number of institutions, companies, committees and Arab and international events.

Mr. Haddadin holds a B.A in Law from the University of Damascus in 1966 and an MA in Comparative Law from George Washington University in 1974.



Dr. Omar Al Zoubi
Commissioner



Appointed as a Commissioner on the JCS Board of Commissioners as of 5/6/2014. Dr. Zoubi has a PhD in Economics/ Monetary and Fiscal Policy from Texas Tech. University / USA since 2004. He had earned a Master's Degree in Economics from the University of Jordan in 1997 and a Bachelor's Degree in Economics from Yarmouk University in 1988.

Dr. Zoubi has assumed several positions in the ministries and institutions as follows: he worked at the Central Bank of Jordan since 1988 and graduated in several positions until he became Executive Director of the Department of Research and Studies. During that period he has won the King Abdullah II Award of Excellence for Leaders and Supervisors for 2009.

He moved to the Ministry of Finance and worked at first as an Economist at the Minister's Office and then he supervised the work of the Directorate of Studies and Policies at the Ministry, until he was appointed as Secretary General of the Ministry of Finance in 26/2/2012.

Dr. Zoubi worked as a visiting professor at Texas Tech University/ USA and served as Dean of the Institute of Banking Studies/ Jordan and also taught as part-time professor at a number of national universities. He has some of published and unpublished economic researches.



Mr. Mazen Wathaifi
Commissioner



Mr. Wathaifi was appointed as a Commissioner on the JSC Board of Commissioners as of 17/7/2014. He also served as the JSC's Secretary General in addition to his duties until 31/8/2016.

He was appointed as Executive Director of the JSC in July, 2013 until he was appointed as a Commissioner on the JSC Board of Commissioners. Prior to that, Mr. Wathaifi joined the work at the Amman Financial Market (AFM) at the end of 1984. He worked in various departments of the AFM until he was appointed as the Director of the Research and Studies Department in April, 1997. In 1999, he was appointed as the Director of the Research and International Affairs Department at the JSC.

Mr. Wathaifi took part in the working committees which developed the Securities Law and legislations of the national capital market, in addition to his membership in several national and international committees.

He also has a number of specialized researches and working papers in capital markets. He holds a BA in Management and Economics from the University of Jordan and a Master's degree in Finance/Capital Markets from the Arab Academy for Banking and Financial Studies, where he was awarded the Scientific Research Award. He also participated in specialized training courses in international institutions, including the US Securities and Exchange Commission, the British Financial Services Authority, and the Centre for Capital Market Research Center at George Town University. He also represented the JSC in numerous Arab and International conferences and meetings.



Mr. Methqal Obeidat
Commissioner



Mr. Obeidat was appointed as a Commissioner on the JSC Board of Commissioners on 10/8/2014. He holds a Master's Degree in Private Law P/L from the University of Jordan in 1999 and a Bachelor's Degree in Law from Yarmouk University in 1996.

From 1996 to 1999, he worked at the Legal Department at the Amman Financial Market (AFM) and then moved on to assume the position of the Director of the Legal Department at the (ASE) until 2004.

He moved on to work as a Legal Advisor at Abu Dhabi Securities Exchange (ADX) and after that as an Adviser to the CEO of the ADX. Currently, he works as a Commissioner on the JSC Board of Commissioners as of August, 2014.



Chairman's Message

In the name of Allah, the Most Gracious the Most Merciful

It is a pleasure to present the 2016 annual report of the Jordan Securities Commission (JSC), that includes a detailed overview of the most important developments in the national capital market, the Commission performance, and its most prominent achievements throughout 2016 which witnessed the continuity of the capital market's exposure to the political and economic circumstances in the region, that affected the performance of the market, the performance of the public shareholding companies, and the liquidity levels over the past years.

Nevertheless, the JSC continued to exert efforts to accomplish more ambitious achievements by conducting a comprehensive review of the legislative and regulatory frameworks as part of its strategic plan aiming at developing the national capital market and enhancing its competitiveness and depth, besides diversifying its investment tools, through the development of the legislative and technical frameworks of the capital market institutions, as well as the application of the most recent international standards and practices, in a manner that would enhance investors' protection and curb risks, achieve justice, efficiency and transparency, and serve the national economy and the process of a comprehensive reform and sustainable development, to meet the aspirations and the vision of His Majesty King Abdullah II Bin Al Hussein. The preparation of the "Capital Market Development Strategy and Roadmap" for Jordan in cooperation with the European Bank for Reconstruction and Development (EBRD) is one of the most important accomplishments by the JSC in this regard. The Roadmap, that includes comprehensive recommendations covering all fields and activities in the capital market, aims at enhancing the confidence of domestic and foreign investors in the market through certain procedures, the most important of which are the continuous compliance with the best international practices and standards, following best policies for corporate governance, and enhancing the disclosure of the issuing companies, along with facilitating the foreign investment procedures and enhancing the independence and authority of the JSC.

In terms of updating the legislations regulating the capital market, the JSC discussed the amendments of the Securities Law with the Committee of Economy and Investment at the Lower House of Parliament. The amendments included a number of articles that aim at enhancing the supervisory role of the JSC, encouraging the institutional investment, and the establishment of mutual funds, along with setting the legal basis that enable the JSC to transform the rules of corporate governance in the Corporate Governance Code that were issued by the Commission to mandatory rules, and the introduction of new tools to enhance the depth and the activity of the market and activate the investment movement within it. It is expected that the Law will be issued in its final form during the first half of 2017.

A recommendation by the JSC was sent to the Council of Ministers to transform the Amman Stock Exchange (ASE) to a public shareholding company. This recommendation was adopted and all necessary legal and administrative procedures for the transformation process were completed during the first quarter of 2017, in addition to the amendment and approval of a number of instructions that aim at enhancing the investment climate and reinforcing confidence in the market. The most important instructions were the Instructions of Trading in Unlisted Securities, Margin Financing Instructions, Instructions of Issuance and Registration of Securities, Owners of Islamic Finance Sukuk Committee Instructions, and Instructions of Regulating the Selling of Securities Executed in Accordance with Courts and Official Institutions Decisions. Moreover, drafts instructions on Securities Depository Receipts, and Lending and Borrowing and Short Selling of Securities were prepared. The JSC continued to develop the electronic and technical systems necessary for its work. In 2016,



the JSC started to execute a number of projects stated in its plan and accomplished several ones, most notably the Workflow Electronic Tracking System Project, Notifications and Measures Processing System, and updating the website of the JSC.

As for the Arab and international cooperation, the JSC has continued to strengthen its ties and presence by participating in a number of Arab and international events and meetings in a way that would help achieve its goals, promote the national capital market, and to be acquainted with the latest developments and the most recent practices and standards in the field of capital markets. The JSC continued to play an active role in the International Organization of Securities Commissions (IOSCO) and participated in its specialized meetings. It also participated in the activities of the Union of Arab Securities Authorities (UASA).

With the aim to enhance awareness on matters related to the capital market, the JSC received student delegations and held a number of seminars and specialized workshops including a workshop on combating anti money laundering and terrorism financing in the securities sector, in coordination with the Financial Services Volunteer Corps (FSVC), a training course on the application of International Auditing Standards related to listed companies auditors' reports, and a workshop on the two draft instructions; Instructions of the Securities' Depository Receipts, and Lending and Borrowing and Short Selling of Securities, in addition to a training seminar, in coordination with the Jordan Association of Certified Public Accountants, titled the new International Financial Reporting Standards No. 16 related to leases.

On the administrative and executive level, the JSC managed to attain the Seal of Excellence, in the category of the institutions that participated more than once, in King Abdulla II Award for Excellence in Government Performance and Transparency. Evaluation standards are built on the best international practices in evaluating institutions' performance.

As for the performance of the ASE, the stock market continued to be affected by the circumstances of the national economy and the turmoil faced by the region. The trading volume has decreased by 31.8% to reach JD 2.3 billion compared to JD 3.4 billion by the end of 2015. The market capitalization has also decreased by the end of 2016, compared to the level of the previous year, by a percentage of 3.67% to reach JD 17.34 billion compared to JD 18 billion by the end of 2015, forming a percentage of 65% of the Gross Domestic Product "GDP". On the other hand, the percentage of non-Jordanians contribution in the market capitalization of the companies listed on the ASE increased to reach 49.6% compared to 49.5% by the end of 2015. The General Index Weighted by the Free Float Market Capitalization increased by 1.6% to reach 2170.3 points compared to 2136.3 points by the end of 2015, approaching the limit of 2200 points. Trading volume at the market of unlisted securities since its launching on 4/8/2016 till 29/12/2016, reached a total of 68.8 million shares of 20 companies with a value of JD 9.4 million

In conclusion, I would like to express my thanks and appreciation to my fellow members of the Board of Commissioners, and to the staff of the JSC for their continuous efforts to promote the national capital market, to become a safe and developed investment environment in accordance with the most recent standards and international practices, and to enhance confidence in the national economy, stimulate investment, and provide protection for the investors in the market, and the investment environment.

May Almighty Allah protect our King His Majesty King Abdulla II Bin Al Hussein and our country the Hashemite Kingdom of Jordan.

Mohammed Saleh Hourani
Executive Chairman



The Jordan Securities Commission (JSC)

Establishment

The Jordan Securities Commission was established by means of the Securities Law No. 23 for the year 1997 as a supervisory entity that regulates the Jordan capital market. The Commission was established to protect investors in securities, to regulate and develop the capital market to ensure fairness, efficiency and transparency, and to protect it from any possible threat and danger that it may face.

The Commission enjoys financial and administrative autonomy and it is linked directly to the Prime Minister, it has regulatory, developing and supervisory role to enhance the legislative environment, and the technical and institutional foundation to ensure fairness, efficiency and transparency in the market.

The JSC is subject to the supervision of the internal and external audit, and Audit Bureau. It also complies with the standards of the International Organization of Securities Commissions (IOSCO).

Parties under the JSC's supervision in accordance to the Law

The following are subject to the supervision and oversight of the JSC in accordance to the Law, regulations, instructions and bylaws pursuant to:

1. The Amman Stock Exchange (ASE).
2. The Securities Depository Center (SDC).
3. Public shareholding companies issuing Securities.
4. Licensed financial services companies.
5. Registered Persons.
6. Mutual funds and investment companies.

JSC Administration

Board of Commissioners

The JSC is directed by a Board comprising five full-time qualified commissioners, including the Chairman and his Deputy who are experienced specialists in this field. Commissioners are appointed for a five-year term renewable once, by a decision of the Council of Ministers, based on a recommendation by the Prime Minister. The appointment is endorsed by a royal decree. The Chairman is the chief executive officer of the Commission; as such, he authorizes expenditure, executes policies, and is responsible for the JSC's administration.

The Board of Commissioners has been assigned a number of tasks intended to fulfill the goals for which the Commission was established, which include drafting legislations and regulations, issuing instructions, approving bylaws and instructions of the ASE and SDC, granting licenses to financial services companies and capital market registered persons, approving the registration of securities and mutual funds, adopting standards of accounting, auditing, and performance evaluation that are binding for all parties subject to the supervision of the Commission.



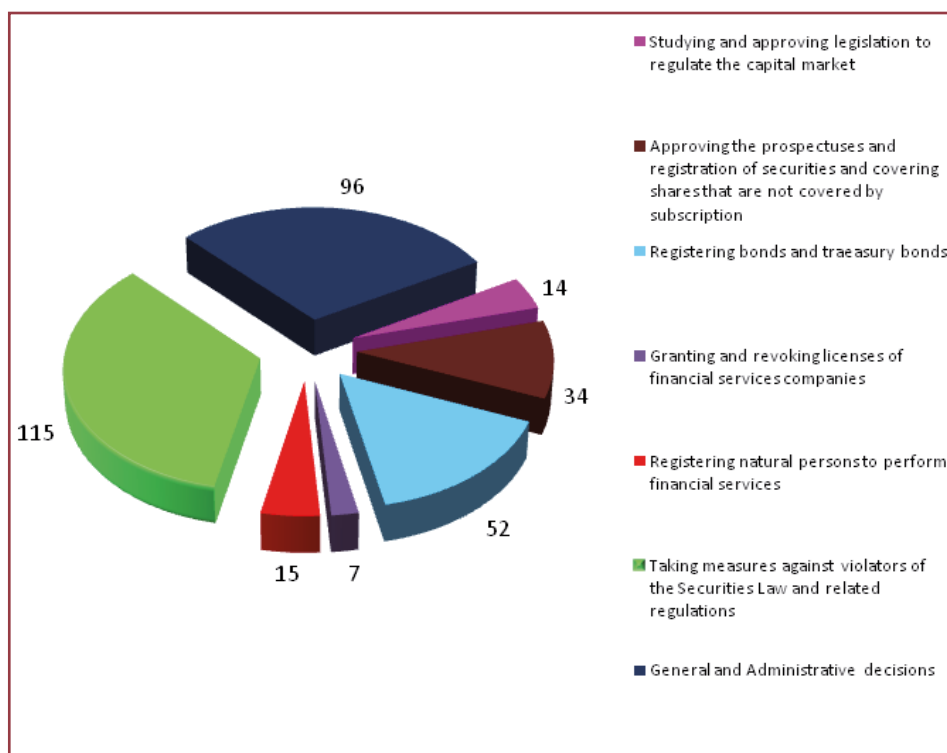
Board Meetings and Decisions

The Securities Law stipulates that the Board of Commissioners should meet at least once a month, and whenever the need arises, In 2016, the Board held 56 meetings and took 333 decisions as listed in the table below:

Table (1)
Decisions made by the Board of Commissioners during 2016

Subject	No. of Decisions
Studying and approving legislations to regulate capital market	14
Approving the prospectuses and registration of securities (shares and bonds) and covering shares that are not covered by subscription	34
Registering bonds, treasury bills and corporate bonds	52
Granting and revoking licenses of financial services companies	7
Registering natural persons to perform financial services activities	15
Taking measures against violators of the Securities Law, regulations, instructions, and decisions issued pursuant thereto	115
General and administrative decisions	96
Total	333

Diagram (1)
Distribution of decisions made by the Board of Commissioners during 2016





Personnel

JSC personnel numbered 153 at the end of 2016. Their distribution by level of education and gender is shown in the table below:

Table (2)
Distribution of JSC personnel by level of education and gender

Education level	Male	Female	Total
Ph.D.	3	1	4
Master	31	14	44
Higher Education Diploma	---	2	2
BA/ BSc	29	28	51
Community College	4	4	8
Secondary School	2	9	11
Professional Certificate	4	---	4
Below Secondary School	22	---	22
Total	95	58	153

Training

The JSC attaches great importance to train its staff in order to upgrade their academic and professional qualifications and acquaint them with the most important developments on the regional and international levels. Eighty five employees were sent on training courses and specialized conferences within the Kingdom and abroad. These were as follows:

Table (3)
Personnel Training Courses held in Jordan and abroad in 2016

Training Course	No. of employees	No. of participations
Internal	67	139
External	18	21
Total	85	160

Public Service Office and Complaints

The Public Service Office, at the JSC, provides necessary services to investors and other parties interested in the capital market. It makes available financial reports and special periodical reports related to companies listed on the ASE. The Office receives complaints from investors, records them in a special register. The Complaints Committee at the JSC investigates them to address the problems and solve them. A number of complaints recorded by the Office in 2016 as follows:



Year	Complaints under study	Complaints processed and resolved	Total number
2013	7	7	58
2014	4	4	22
2015	1	1	9
2016	2	2	9

The following demonstrates the nature of complaints received during 2016:

- Failure to observe the client's interest.
- Failure to implement the client's orders either buying or selling.
- Disposition of the client's portfolio without orders.
- Sales by broker in margin financing accounts.
- Dissemination and promotion of rumors.
- Questioning the disclosures submitted by public shareholding companies
- Use of inside information.

Performance of the JSC during 2016

The JSC has worked during 2016 on issuing, amending and approving a number of legislations and procedures that regulate the national capital market, the most important of which were the following:

First: The Securities Draft Law

During 2016, a discussion of the amendments of the new Securities Law draft was conducted with the Committee of Economy and Investment at the Lower House of Parliament. The amendments aim at enhancing the supervisory role of the JSC and complying with the recent advances in the international capital markets to strengthen the protection of investors and the investment climate in the market. The draft Law shall be referred after being approved by the Committee of Economy and Investment, to the Financial and Economic Committee at the Upper House of Parliament. The Law is expected to be endorsed in its final form during the first half of 2017.

The main amendments included the following:

1. Encouraging the establishment of mutual funds by restoring the contractual pattern of the funds, and setting the legal basis to facilitate the establishment of new types of funds such as the Exchange Traded Funds (ETFs), and introducing new investment tools to the market.
2. Reinforcing the legal framework to preserve the rights of the financial broker who finances on margin, so that he has the eligibility and priority to fulfil his rights in case of the client's death, liquidation, or seizure.
3. Setting the legal basis to transform the voluntary rules of public shareholding companies' corporate governance to mandatory rules, with the aim to enhance the protection of investors and shareholders rights.
4. The cancellation of articles related to the ASE in light of the Council of Ministers' (CoM) decision to transform the ASE to a public shareholding company fully owned by the government, and considering the company as the legal and real successor for the ASE. All the obligations and rights of the ASE shall be transformed to the company.
5. Transferring the regulatory and supervisory duties and authorities stipulated in the Companies Law and related to the public shareholding companies and shareholding companies which their shares are traded in the market, so as the JSC's Board of Commissioners shall practice as such, the authorities of the Minister of Industry and Trade that are stipulated in the Companies' Law and the Chairman of the JSC shall practice the authorities of the Companies Controller.



Second: The draft Instructions of Securities' Depository Receipts

The draft Instructions aimed at organizing the process of issuing depository receipts for securities of Jordanian companies and listing them on foreign markets, in addition to regulating the mechanism of issuing depository receipts for foreign companies and listing them on the ASE. The receipts are considered as an alternative mechanism for mutual listing. Receipts are also a flexible mean of financing that can be used to enlarge the base of shareholders of foreign investors.

The most important features of these draft Instructions:

1. Defining the depository receipts as securities issued by the depository bank, representing securities issued by Jordanian or foreign issuer and traded in securities markets other than those in which the original securities are listed. The owners of these receipts are entitled to all rights decided for the owners of the original securities.
2. The depository bank, which intends to issue depository receipts inside the Kingdom, shall be required to submit to the JSC Board of Commissioners a registration application along with information about the issuance including enough details about the depository receipts, the mechanism of issuing them, the purpose of issuance, the parties participating in the issuance, and the mechanism of issuance and redemption, in addition to a copy of the issuance prospectus, a certified copy of the memorandum of association, the articles of association, the registration certificate of the foreign issuing entity, and the official decisions and approvals for the foreign issuing entity.
3. The Jordanian issuing entity, that assigns the depository bank of issuing depository receipts outside the kingdom, shall submit a written application to the JSC Board of Commissioners to obtain an approval along with information and details about the depository receipts, their type, the mechanism of issuance, the purpose of issuance, the decision of the general assembly of to approve the issuing the depository receipts, a copy of the depository agreement concluded with the depository bank that should include the number and type of the depository receipts, the conversion factor, and the rights of receipts holders.
4. Identifying the cases in which the Jordanian issuing entity is eligible to issue depository receipts outside the Kingdom by increasing the capital and allocate it to the depository bank, purchasing the shares by depository bank through the market, and through allocating the treasury shares owned by the company to the depository bank.

Third: The draft Instructions of Securities Lending and Borrowing and Short Selling

The draft instructions aimed at enhancing the investment in the market through regulating the practice of securities borrowing lending, and the short selling activity of securities in accordance with the most recent international practices.

The most important features of draft instructions include the following:

1. The securities shall be lent and borrowed through a borrowing and lending agent licensed by the JSC and in accordance with a contract that shall be executed by the agent of the contract parties. The contract shall be registered in the records of the Securities Depository Center in the concerned accounts.
2. It is not permissible to lend and borrow securities from the accounts of minors or in their favor or by insiders at the issue or the subsidiaries and affiliates.
3. Identifying the information that should be included in the agreement and should be signed by the agent of lending and borrowing.
4. Identifying the required cash collaterals against the borrowed securities and the cases in which the borrowing process terminates.
5. Organizing the activity of securities short selling so it shall be limited to selling the borrowed securities.



Forth: Amending the Instructions of “Owners of Islamic Finance Sukuk Committee” for the year 2013, amended in accordance with the decision of the Board of Commissioners No. (8/2016) dated 7/9/2016

Article (4/A) of the Instructions, which defined the number of the Owners of Islamic Finance Sukuk Committee by five members, has been amended by adding the following phrase: “in case the number of sukuk subscribers is less than five, the Committee of the sukuk Owners shall be consisted of all the sukuk subscribers”.

Fifth: Instructions of Issuance and Registration of Securities for the year 2016

The main features of these Instructions are as follows:

1. Identifying the requirements of securities registration for the private shareholding companies that intends to be registered with the JSC through public offering as follows:
 - The company’s paid in capital shall not be less than the minimum of the capital of the public shareholding company.
 - The company should have spent at least three operating years and achieved profits during the two years preceding the application of the registration of its capital shares.
 - Net equity shall not be less than 100% of the paid in capital.
 - Any other provisions deemed necessary by the Board of Commissioners.
2. The private shareholding company that intends to issue shares through public offering shall register all shares issued with the JSC.
3. Allowing the placement of securities through the book building of the stock or according to the fixed price in the issuance prospectus.
4. The disposal of the issuance revenues is not permissible before allocating the securities to the subscribers, completing the issuance procedures at the JSC, and registering them with the Depository Center.
5. Considering the approval of the Board of Commissioners on the registration of convertible bonds with the JSC, as an approval to register the total number of shares that might result from the practice of the right of converting the registered bonds in accordance with the conversion provisions stated in the issuance prospectus.
6. Companies that decrease their capital should submit an application to reduce their capital at the JSC within five working days from the date of procedures’ completion at the Ministry of Industry and Trade in accordance with the specified form.

Sixth: Amending the Instructions of Margin Financing for the year 2006

The most important features of the amendments were as follows:

1. Adding a definition of the related group within Article (2) of the Instructions.
2. Reducing the minimum capital limit required in Article (4), as a condition for granting a license for practicing margin financing in accordance with the decision of the Board of Commissioners No. 307/2014 dated 23/9/2014, from JD 2.25 million to JD one million.
3. Reducing the volume of finance concentration to be in line with the diversification principle. The previous provisions set a condition that the total financing provided by the financial broker for one security in the margin financing accounts shall not exceed 25% of the net equities. In accordance with the amendment, the percentage has been reduced to 20%
4. Reducing the volume of financing concentration with the related group provided that the amount of margin financing granted for one client and the related group shall not exceed 20% of the net equity rights of the financial broker or 3 JD million whichever is less.
5. Adding Paragraph (b) to Article (17), which states that “in case of absence of sufficient securities in the margin financing account to the extent that restores the maintenance margin to the allowed minimum limit as a result of the seizure on the securities that were marginally financed or on some



of them, or as a result of suspension of trading on one security, or some securities that were marginally financed, the Board of Commissioner may grant the broker a grace period to rectify the maintenance margin.

Seventh: Amending the Instructions of Regulating the Selling of Securities Executed in Accordance with Courts and Official Institutions Decisions

The most important features of the amendments were:

1. Reconsidering the regulation of the enquiry mechanism about the equity records so that the Amman Stock Exchange should address the Depository Center to execute the selling order and not the companies.
2. The Stock Exchange shall contact the company whose securities are to be sold, to inquire about ownership records in case the concerned securities are not deposited, or if such records are registered by the company.
3. Regulating the mechanism of the Stock Market's notification for the companies by correspondence in case it is not possible to notify them using the accredited address. The notification correspondence shall be deposited at the registered mail on this address and/or the announcement in a domestic daily newspaper.

Eighth: The Instructions of Trading in Unlisted Securities

The Board of Commissioners approved these Instructions which became effective as of 4/8/2016. These Instructions aim at establishing a market for trading in unlisted securities to grant shareholders of unlisted and suspended companies the opportunity to sell their shares through the Stock Exchange via an electronic system set for this purpose in accordance with the forces of supply and demand. Investors will be able to buy and sell shares of these companies according to this mechanism. Trading securities in this market shall be allowed within a price limit of $\pm 10\%$ of the benchmark price.

Issuance

The JSC is the official institution authorized to regulate the process of issuing new shares and bonds by public shareholding companies. The issuer of securities must register them with the JSC. This registration is the official documentation of these securities, which are then registered to their owners at the SDC and listed on the ASE for trading in Financial Market.

When offering shares for public subscription, the issuer is required by the Securities Law and regulations issued pursuant thereto, to prepare and submit to the JSC a prospectus that contains all information and data that enable the investor to make an informed investment decision. The prospectus is the principal and reliable source of information for investors regarding the securities to be issued. It is also the first disclosure by the issuer. Upon submission of the prospectus to the JSC, the Board of Commissioners may consider it effective if it meets the provisions of the Securities Law and related regulations, the Board may reject the prospectus or deny its effectiveness if it finds that it contains false, inaccurate or misleading data.

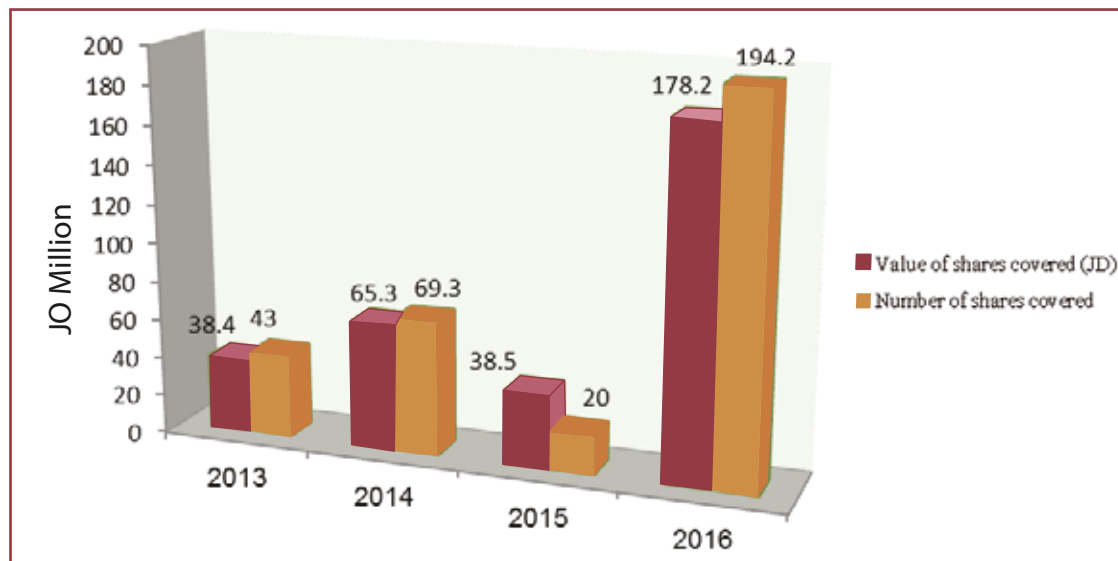
During 2016, the JSC approved the issuance of 12 prospectuses with an increase compared with the previous year, distributed as follows: 9 shares prospectuses, one prospectus for corporate bonds, and two Islamic Finance Sukuk prospectuses. Ten public shareholding companies issued new shares to raise their capital through public subscription by existing shareholders or certain investors. Shares registered during this year reached 207,082,533 shares, of which 192,434,288 shares were covered at a value of JD 177,082,440 constituting 92.9% of registered shares (Table 1, Annex 1).

Two companies covered 1,808,271 shares registered in previous years at a value of JD 1,159,568 (Table 2, Annex1). Shares covered this year reached 194,242,559 with a value of JD 178,242,008.



Diagram (2)

Total Primary issues for existing public shareholding companies that raised their capital, 2013-2016

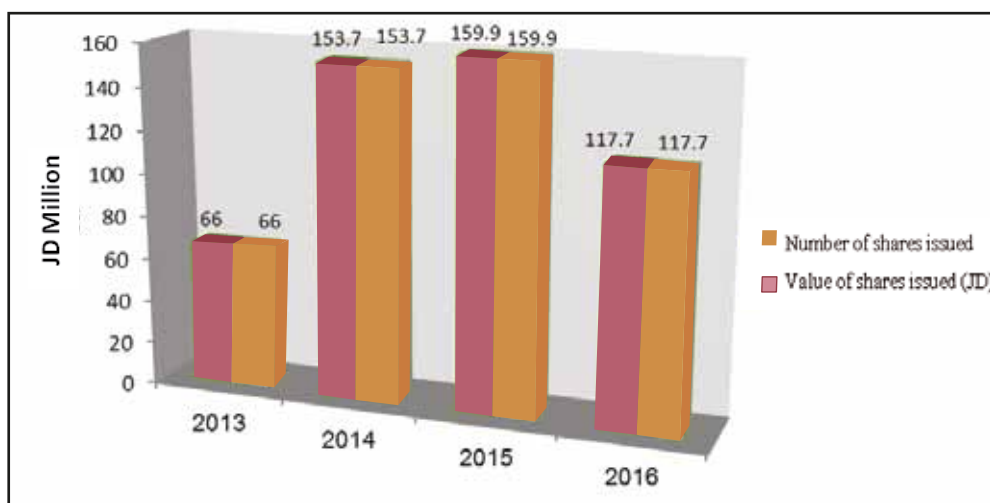


The year 2016 witnessed the issuance of the first Islamic Finance Sukuk. Two prospectuses became effective and the issuances were completely covered at a value of JD 109 million (Table 3, Annex1). It is worth mentioning that in 2016 no new shareholding companies were established and no companies changed their legal form to become public shareholding companies.

Nine companies raised their capital by stock dividends through the capitalization of voluntary reserves and/ or retained earnings and/or issue premium or part thereof. The number of shares issued amounted to 117,665 shares at a value of JD 117,665, provided that stock dividends are distributed to the company's shareholders as of the end of the 15th day after registering the new shares with the JSC on a pro rata basis (Table 4, Annex1). Twenty one companies decreased their capitals during 2016 with a value of JD 312,605,437 of which JD 479,294 of unsubscribed shares of two companies. These shares were decreased in light of the termination of the legal period without covering them (Table 5, Annex1).

Diagram (3)

Raised Capital through capitalization of retained earnings, issue premium, or reserves, 2013-2016

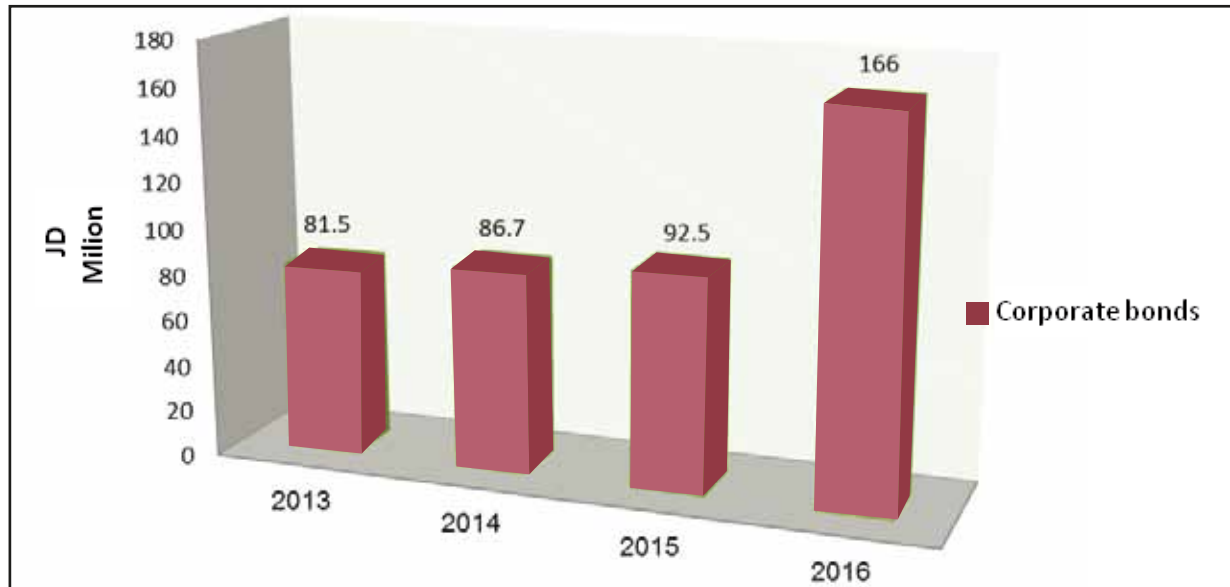




With regard to the issuance of bonds by public shareholding companies in 2016, three issues were registered at a value of JD 135.5 million of which JD 111.15 million were covered, (Table 6, Annex1), where JD 54.850 million of registered bonds in previous years were covered. (Table 7, Annex 1). Total corporate bonds covered in 2016 reached JD 166 million.

Diagram (4)

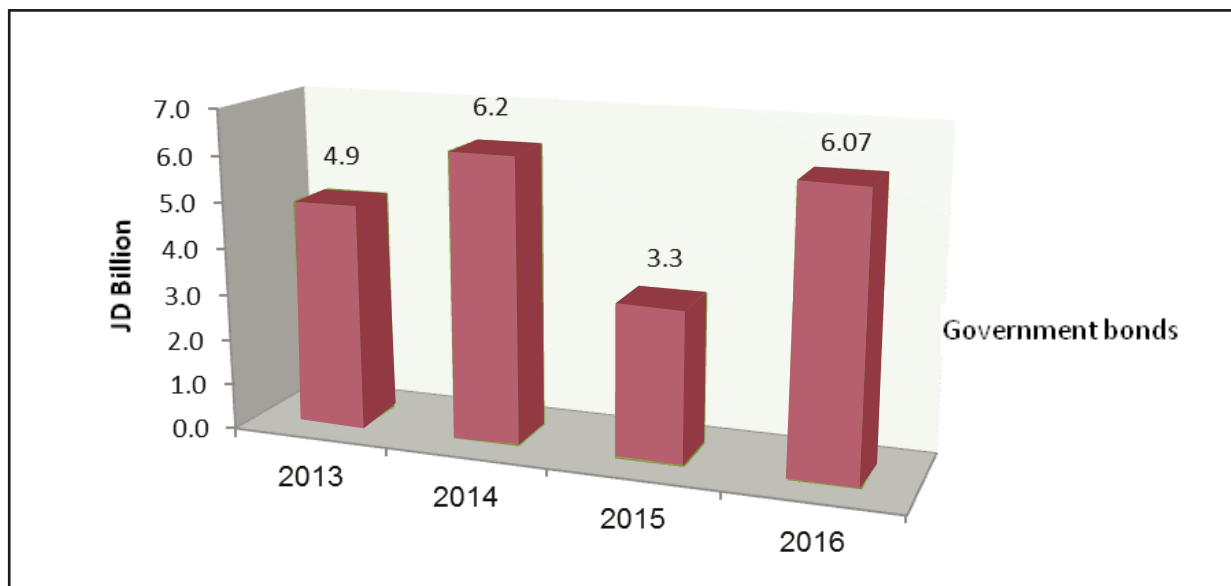
Corporate bonds issued, 2013-2016



The value of bonds and treasury bills issued or guaranteed by the Government reached JD 6,070,977,900 in 2016 (Table 8, Annex 1), and JD 814.2 million in foreign currency (Table 9, Annex 1).

Diagram (5)

Bonds Issued or guaranteed by the Government, 2013- 2015





Mutual Funds

Mutual Funds Instructions defined the requirements and procedures for the establishment of mutual funds, their activities, and obligations. Currently, two open-end Jordanian mutual funds are registered with the JSC: the Fund of the Housing Bank for Trade and Finance/ Jordanian Securities Fund, and Horizon Fund/ Capital Bank.

Since these mutual funds are open-end funds, they are registered with the JSC, but they are not listed on the ASE. Their investment units are traded through a direct relationship between the investor and the fund. The fund issues any number of investment units to investors who wish to buy, and it remains ready to redeem any number of these units that investors wish to sell. Investment units of mutual funds are traded on the basis of the fund's net assets value on the date of sale or purchase. Funds are required to submit their periodic financial statements to the JSC and to declare their net assets value at least twice every month to enable investors to monitor their performance continuously and to make their investment decisions accordingly. The draft amendment of the Securities Law included a number of amendments that aimed at encouraging the establishment of mutual funds and diversifying investment tools through restoring the contractual form of mutual funds and setting the legal reference to enable the establishment of new types of investment funds such as Exchange Traded Funds (ETFs).

Disclosure

Accurate, preliminary and periodic disclosure, and providing information to investors and the public are fundamental pillars in financial markets, since this information helps achieve fair, transparent, and efficient market. There are a number of stages of disclosure process that issuers need to follow, which are the preliminary disclosure through the prospectus, ongoing disclosure through financial statements, disclosure of material information that affect the prices of securities, and disclosure of dealings by insiders and major investors.

The Securities Law and Disclosure Instructions require companies to submit to the Commission their preliminary results not later than 45 days after the end of their fiscal year, their annual reports not later than 90 days after the end of their fiscal year, and their semi-annual reports within a period not exceeding 30 days from the end of the first half of their fiscal year.

It is worth mentioning that 90.3% of public shareholding companies submitted their preliminary results within the specified period in 2016, compared with 89.1% in 2015. Compliance with the requirement to provide the JSC with their annual reports within the specified period reached 86.1% in 2016, compared with 84.4% in 2015, while compliance with the requirement to submit their semi-annual reports to the JSC on time reached 89.5% in 2016, compared with 86% in 2015.

Table (5)

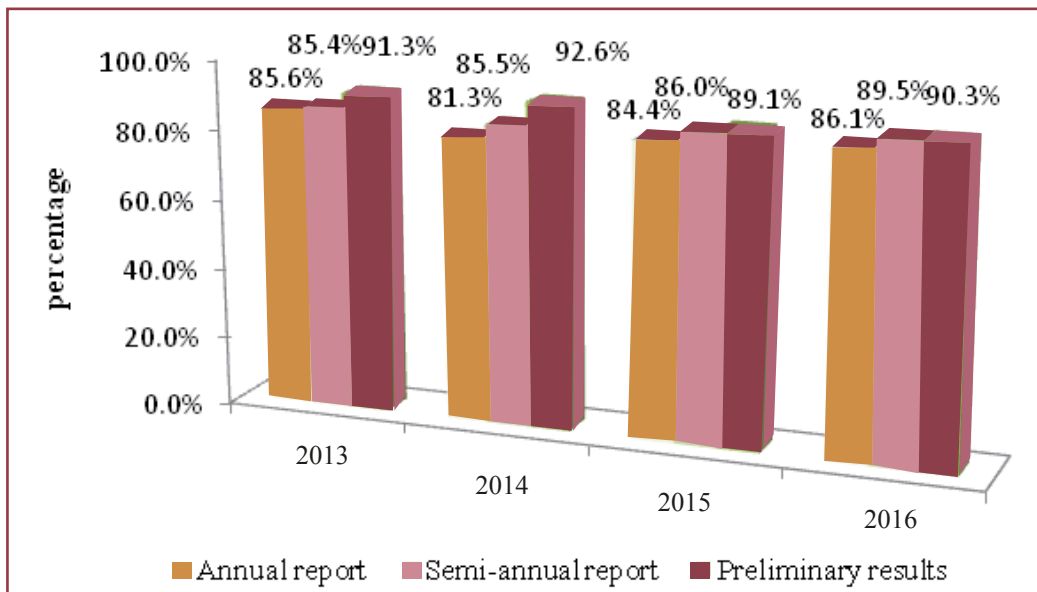
Compliance of public shareholding companies with the requirement to disclose their periodic reports on time

Periodic reports	2013	2014	2015	2016
Preliminary results	91.3%	92.6%	89.1%	90.3%
Annual report	85.6%	81.3%	84.4%	86.1%
Semi-annual report	85.4%	85.5%	86%	89.5%



Diagram (6)

Compliance of public shareholding companies with the requirement to disclose their periodic reports on time, 2013-2016



Registration of auditors with JSC

At the beginning of 2016, the Instructions on Standards and Eligibility Conditions Required for Auditors Qualified to Audit the Accounts of Entities Subject to the JSC Supervision in the special record has become in force. The JSC prepared special procedures to register the auditors in cooperation with the Jordan Association of Certified Public Accountants in accordance with forms that are specially tailored for the registration process which were posted on the JSC's web site. During this year, 78 auditors were registered.

Electronic disclosure using Extensible Business Reporting Language (XBRL)

With the view to strengthen the regulatory and supervisory role of the JSC and enhance the levels of disclosure and transparency in the market, to achieve fairness and integrity and prevent the conflict of interest, the JSC in cooperation with the ASE has placed a tender of the project of the electronic disclosure using Extensible Business Reporting Language (XBRL), which is an international advanced language for disclosure.

The application of this system shall facilitate and speed up the process of disclosure of data and the financial and nonfinancial information of the issuing entities in Arabic and in English. The system includes the elements and components that will contribute to the enhancement of transparency through providing the financial data in a faster and more efficient manner to increase accuracy and effectiveness of the process of preparing, analysing, and publishing the data and financial reports in time to the concerned parties in the market. This will contribute to the enhancement of information needed for informed investment decision and increase the protection and confidence of investors. The application of XBRL will enable the replacement and development of the mechanism of exchanging information and the current reports that are governed by paper work and manual transactions by a more effective system, to guarantee the easiness of exchanging information mechanism between the concerned parties in an electronic manner that will reduce the burden in terms of human efforts and material costs.



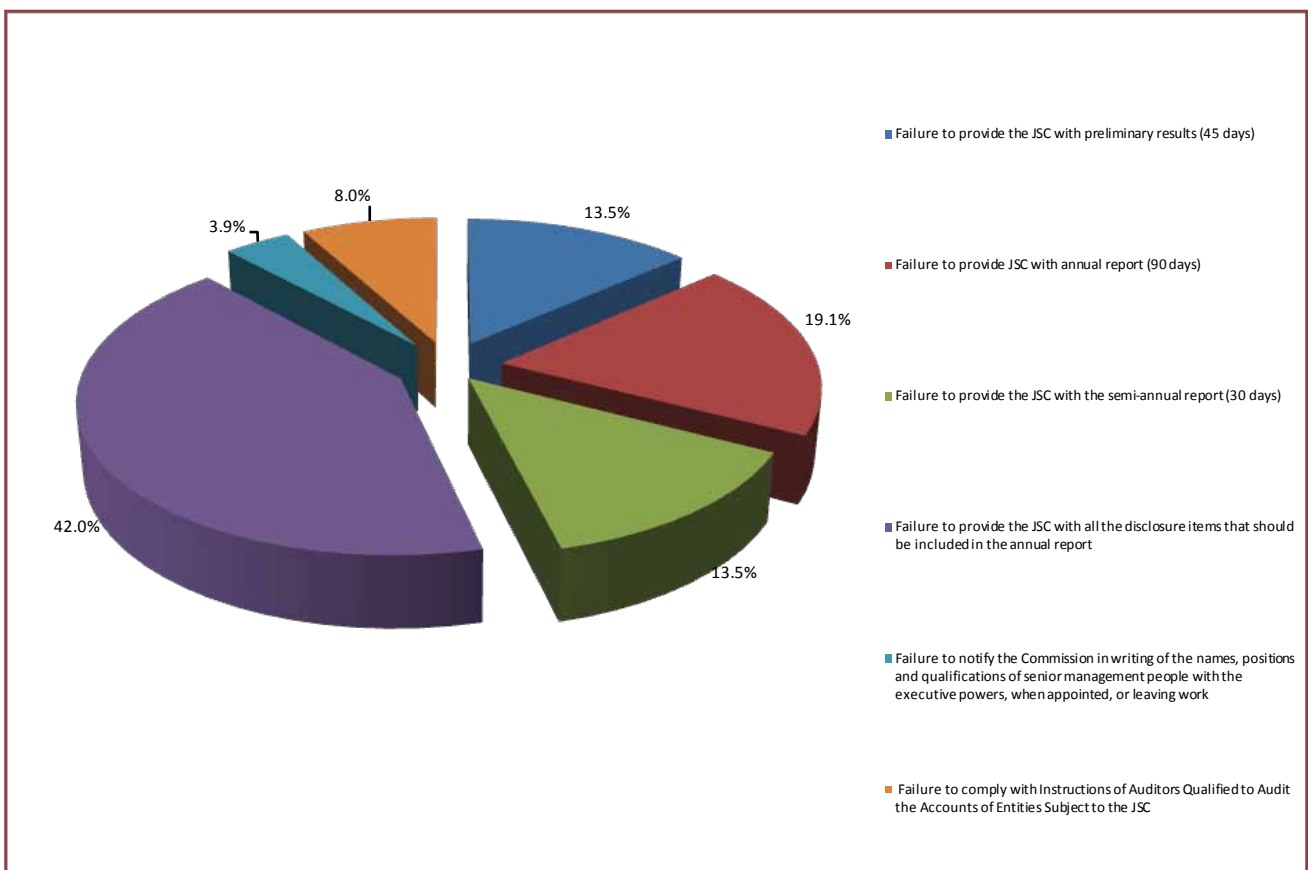
Corporate Governance

The JSC has circulated the Balance Scorecard for the year 2016 to the public shareholding companies listed on the ASE to measure the extent of compliance with applicable rules of corporate governance.

Currently, the JSC is working on updating the Code of Corporate Governance of Public Shareholding Companies listed on the ASE to be in line with the Corporate Governance Principles of the Organization for Economic Cooperation and Development (OECD) for the year 2015, in light of the importance of these amendments in developing the corporate governance practices and enhancing the protection of investors and minority shareholders rights. Also, and for the purpose to enhance the compliance with the corporate governance rules, an article has been added to the draft Securities Law that grants the JSC the authority to transform the rules of corporate governance to mandatory ones.

Diagram (7)

Distribution of violations of the Disclosure and Auditing, and Accounting Standards Instructions in 2016





Licensing and Registration

Regulating financial services activities is one of the most important tasks of the JSC, to ensure sound trading in the national capital market and to protect the market and investors in securities. Licenses granted by the JSC include financial brokerage, investment trusteeship, investment management, financial advisory, custodianship, issuance management through best efforts and firm commitment, issuance trusteeship, and margin financing.

The Instructions issued by the JSC defined conditions and requirements that should be met by companies to receive licenses from the Commission to perform any of the financial services activities. Regulating the activities of financial services is intended to encourage institutional investment and create competent and responsible financial professionals. The main developments related to licensing and registration during 2016, were as follows:

A. Six Licenses were granted to five existing companies as follows:

Table (7)

No	Company	License granted	Date
1.	Blom Bank	- Broker dealer	2/2/2016
		- Custodianship	8/5/2016
2.	Jordan Islamic Bank	- Issuance trusteeship	15/3/2016
3.	Sanabel Alkhair for Financial Investments	- Issuance trusteeship	22/3/2016
4.	Safwa Islamic Bank	- Custodianship	13/6/2016
5.	Alaula Financial Investments	- Issuance trusteeship	11/7/2016

B. A license granted to one existing financial services company was revoked as follows*:

Table (8)

No	Company	License granted	License revoked	Date
1.	Al Fares Financial Investments	- Financial broker - Broker dealer - Margin financing	- Margin financing	18/12/2016

*The license was revoked upon the company's request

C. Registration of natural persons

The JSC granted 31 registrations to 24 natural persons to perform financial services activities as follows:

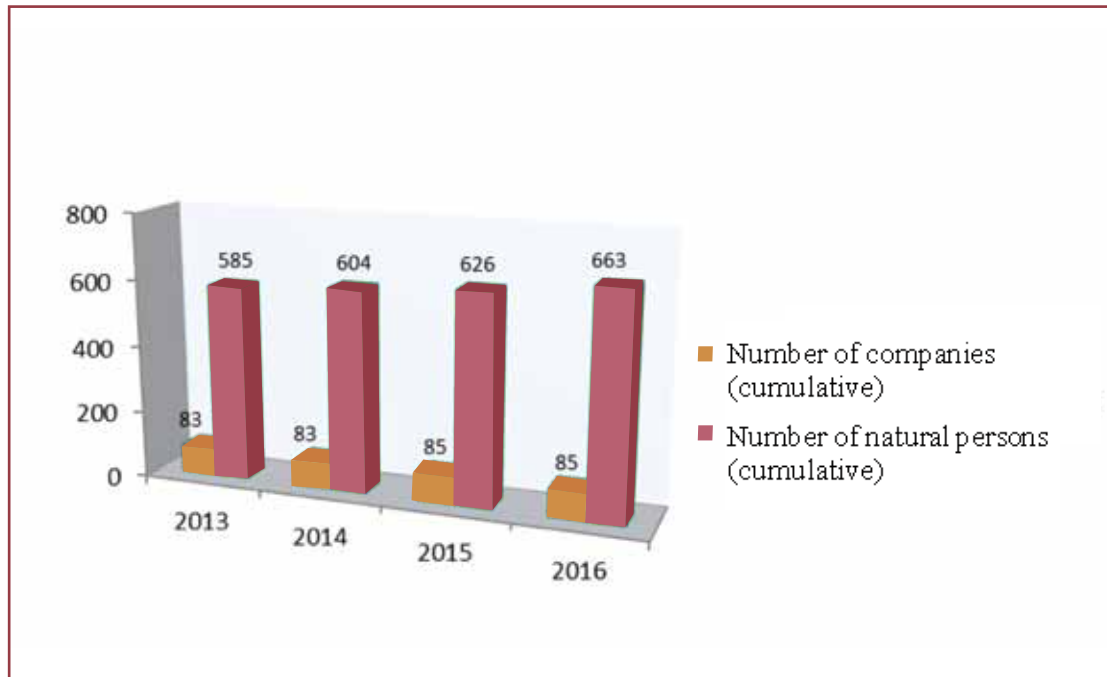
Table (9)

Type of registration	No.
Registered financial broker	5
Registered financial advisor	9
Registered investment trustee	1
Registered investment manager	5
Registered custodian	5
Registered issuance manager	1
Registered issuance trustee	5
Total	31



Diagram (8)

Number of licenses and registrations renewed to perform financial services (cumulative), 2013-2016



Surveillance

The JSC works through the Surveillance Department on providing a suitable environment to ensure fair and sound trading and provide an appropriate safe investment. Surveillance Department applied the following systems and procedures:

First: The Real-time Surveillance System, (ARAMIS)

The real-time surveillance system, (ARAMIS Surveillance System) was applied on 23/3/2009 coinciding with the launch of the new e-trading system by the Amman Stock Exchange. The two systems are part of the development project of the performance of the national capital market institutions that is being implemented in cooperation with the European Union represented by the French company NYSE EURONEXT. The project consists of a real-time surveillance system and a new e-trading system with specifications compatible with the future objectives of the national capital market, in addition to linking the SDC database directly with the new e-trading system.

The ARAMIS Surveillance System is considered as one of the globally recognized systems implemented in more than one financial market worldwide. It has potentials that allow the staff of the Surveillance Department to monitor trading whether before the start of the trading session, during the session, and up to its end. The system comprises a number of screens that contain information about trading contracts and the names of the brokers executing such contracts and keep track of any movement that might have an adverse impact on trading operations. It also provides a database of all companies, including members of the boards of directors of all public shareholding companies, key shareholders and their capital, as well as taking screenshots.



Second: The GL e-trading system

The Department also uses the new version of GL e-trading System that was launched by the ASE in 2009, with the advantage of longer trading periods than the previous version. A pre-close trading period was added, which was developed to prevent any influence on closing prices. The System was directly linked to the SDC database. A mechanism was adopted to extract reports from historic records in the database using the Business Object Software that allows the design of the report in accordance with the required information.

Third: Linkage with the SDC Systems

The Surveillance Department is also linked through the SDC's system to enable it to complete its work properly. The system provides the names of persons who trade in securities and the number of securities owned by traders in the market. The system is also linked directly with the Civil Status and Passports Department database which allows the Surveillance Department to recognize relatives of persons trading in the market. In addition, the system displays reports of the largest transactions, as well as other reports to help complete the process of surveillance such as tracking the trading of investors groups.

Fourth: The use of a special electronic system developed by the IT Department at the JSC, where all data related to the daily trading is downloaded into the system from the Securities Depository Center.

The most prominent uses of this system include the following:

- Allowing post surveillance of trading in shares of companies listed on the Amman Stock Exchange.
- Following-up the trading transactions of members of the boards of directors of public shareholding companies, general managers, financial managers, and the insiders in these companies and their relatives.
- Identifying insiders who violate the decisions of the Board of Commissioners relating to the suspension of their trades in the shares of their companies and their affiliate companies.
- The system contains names and data available at the Civil Status and Passports Department so as to know the relatives of the insiders and to classify them in groups to be entered by the Department staff to extract reports on the trading of these groups.
- The system has been equipped with a special screen that allows the staff to enter the violations notices issued by the Department, as well as the measures taken against the violators (Department Measures Register).
- The system has been provided with a screen to monitor the central risks, where it allows access to all receivables arising from the customers' accounts (cash and margin) with the brokerage firms and

Fifth: Preparing studies on historical trades in companies' shares and traders especially those who are members of the boards of directors, and major shareholders, in addition to the companies' historical prices, the nature of their activities, and their main financial indicators. Also, the Department performs the following tasks to achieve its goals:

- a. Ensuring that trading is undertaken in accordance with laws, regulations, and instructions in force.
 - b. Monitoring news, articles and studies published in the media. The transactions of parties that publish these articles and studies are analyzed to ensure that there are no personal motives, and that the media are not being used for promotion or to realize private gains at the expense of the public.
- In addition, the Department monitors disclosures and news of listed companies and analyzes trading activities during the periods preceding and following these disclosures particularly trading by insiders, to ensure that they do not use inside information which they access by virtue of their position or job to achieve personal gains.

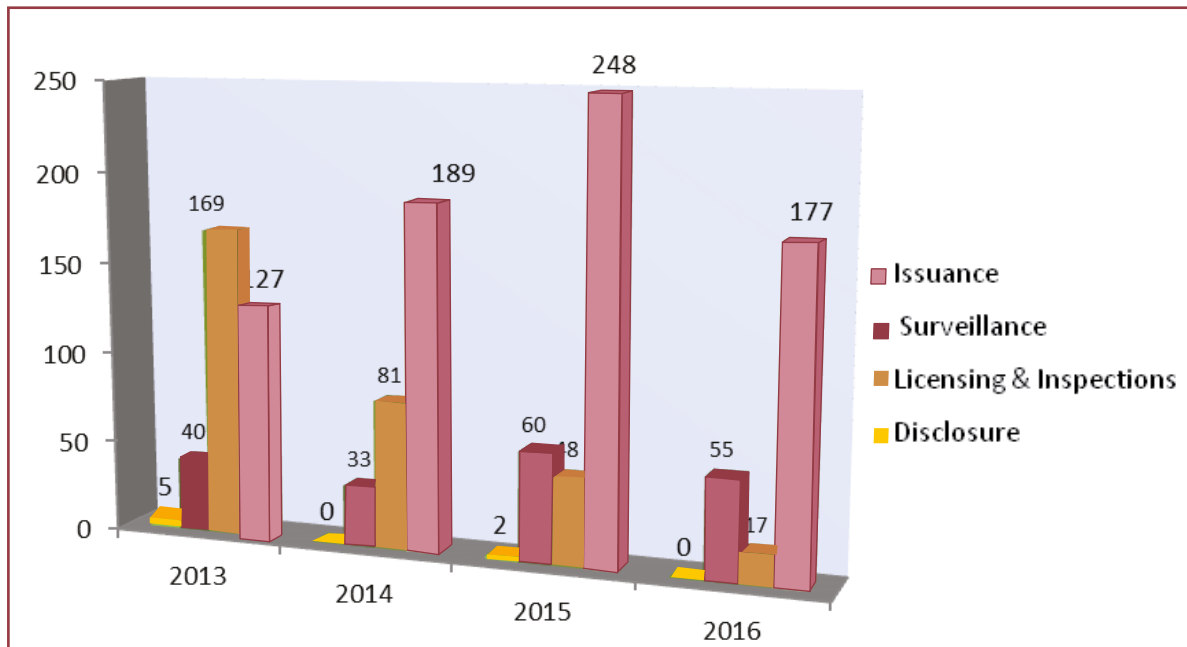


c. Examining price fluctuations during trading session in comparison with fluctuations in previous sessions. In case of a noticeable increase or decrease in the price of a security, disclosures received from the issuing company are studied. In the absence of disclosures that justify this price variation, the Commission addresses the issuing company requesting any information or material events that may be behind this change. The company's response is then made public to ensure fairness among traders and to provide all available information and data to enable investors to make their investment decisions based on accurate information.

d. Preparing daily trading reports on volumes of trading, price variations, most actively traded companies and the largest price fluctuations. These figures are compared with those of the previous days. Reports also include details of large transactions and indices of Arab and foreign stock exchanges compared with ASE indices.

Diagram (9)

Violations issued by the Board of Commissioners distributed by the JSC Departments, 2013-2016



Supervision on the capital market institutions

According to the Securities Law, the ASE and SDC are subject to the supervision of the JSC. It monitors the work of these institutions through the Capital Market Institutions Monitoring Department.

A. The Amman Stock Exchange (ASE)

The Capital Market Institutions Monitoring Department ensures that the ASE monitors trading, supervises its members, and ensures that members of the ASE Board of Directors and executive administration exercise their authority in accordance with the Law and related regulations. The Board of Commissioners also studies the decisions of the ASE Board on regular basis.

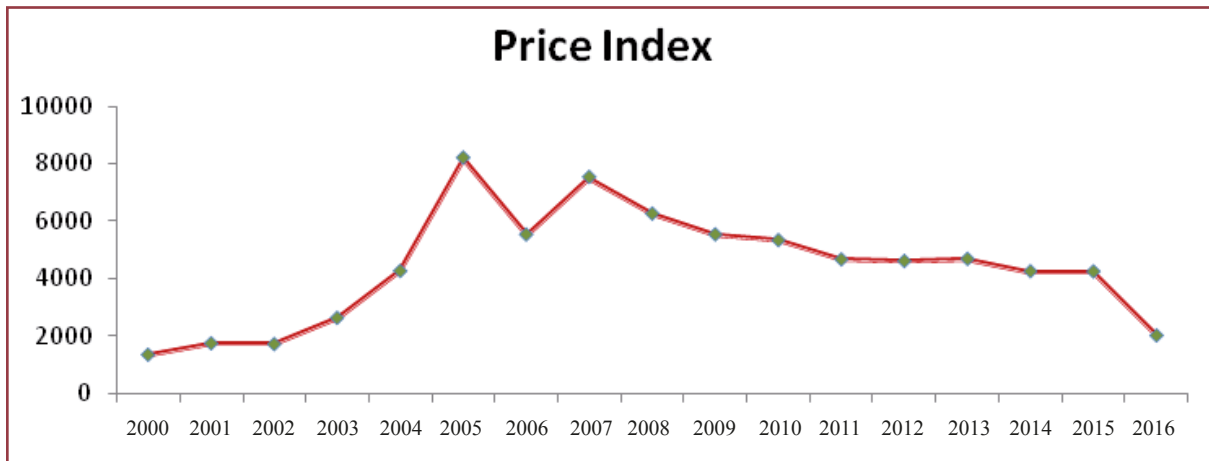


ASE Performance in 2016:

The ASE witnessed a decline since it is still affected by the repercussions of the surrounding regional political unrest and the circumstances experienced by the national economy. The share weighted price index by market capitalization has witnessed a slight decline during the year 2016, compared to the performance during the previous year to close at 4069.7 points compared to 4229.9 in 2015, with a decline rate of 3.79%.

Diagram (10)

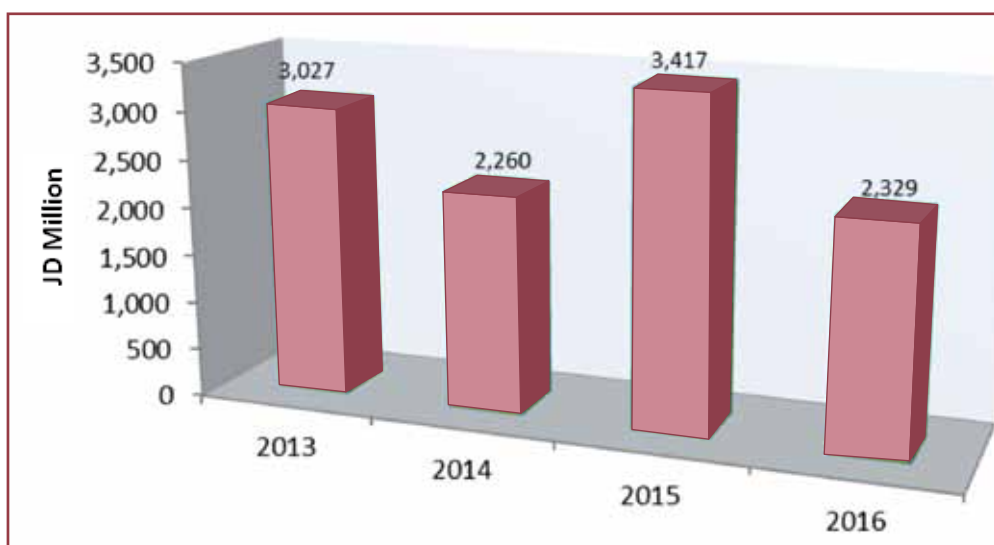
Weighted Price Index by Market Capitalization, 2000- 2016



Trading volume at the ASE in 2016 reached JD 2.33 billion, compared with JD 3.4 billion in 2015, a decline of 31%. Number of shares traded in 2016 reached 1.83 billion shares, executed through 786.2 thousand contracts, compared to 2.58 billion shares in 2015 executed through 899 thousand contracts, a decline of 29 %. Shares traded turnover, which reflects the number of shares traded to the total number of shares listed reached 27.7% in 2016, compared with 37.3% in 2015.

Diagram (11)

Trading Volume, 2013-2016

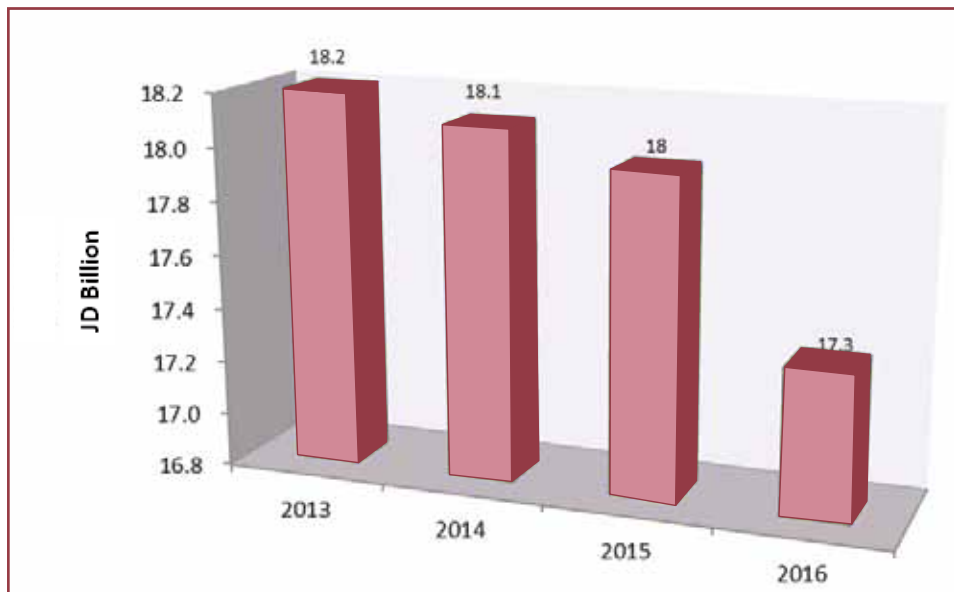


Market capitalization of shares listed on the ASE reached JD 17.34 billion in 2016, constituting a percentage of 65.1% of the GDP, compared to JD 18 billion in 2015, a drop of 3.67%



Diagram (12)

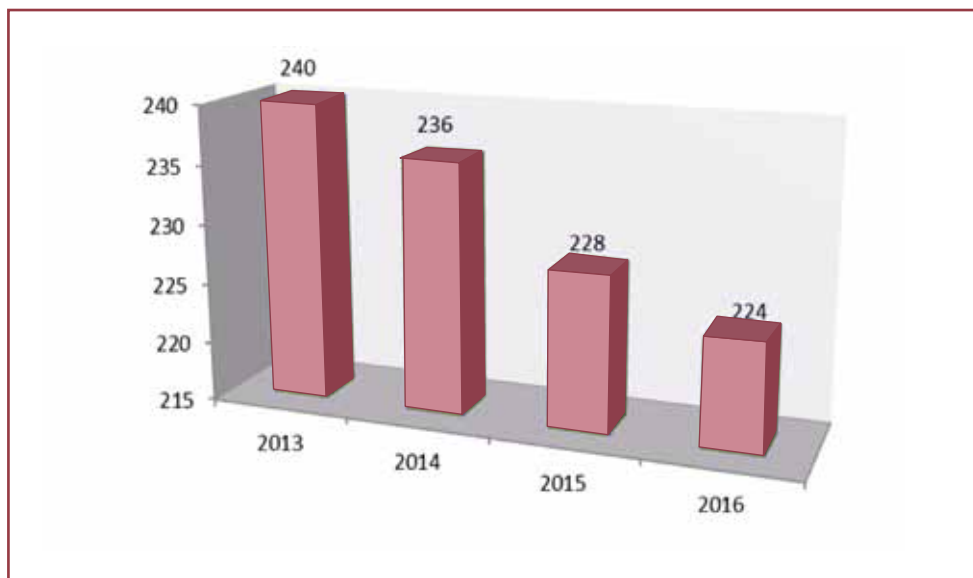
Market Capitalization of the ASE, 2013-2016



Number of listed companies declined to 224 in 2016, compared with 228 in 2015.

Diagram (13)

Number of listed companies on the ASE, 2013-2016



Ownership by non-Jordanians at the ASE increased to 49.6 % in 2016, compared with 49.5 % at the end of 2015. Net investments by non-Jordanians increased by JD 237.1 million in 2016, compared with an increase of JD 10.6 million in 2015.

Unlisted Companies Market:

Trading volume at this market since the beginning of the enforcement of the instructions regulating this market reached JD 9.26 million executed through 67 shares of 19 companies.



B. Securities Depository Centre (SDC):

The Securities Depository Centre is entitled to register, deposit, safe keep, and transfer securities ownership. The Capital Market Institutions Monitoring Department supervises the SDC to ensure that it performs its activities in accordance with the Law and related regulations and to verify that SDC Board members and executive management are executing their duties and authority in accordance with rules and legislations in force. The JSC Board of Commissioners also reviews decisions of the SDC Board on regular basis.

The total shares issued by public shareholding companies registered with the SDC at the end of 2016 reached 7.4 billion shares with a market value of JD 17.6 billion. The number of shareholders depositing at the SDC reached 587,655 shareholders out of a total number of 709,368 shareholders of public shareholding companies, making a percentage of 82.8 % of the total number of shareholders. In addition, the SDC publishes on its website the ownerships of members of the boards of public shareholding companies, as well as the daily trading of these members, in addition to the ownership of shareholders who own 1% or more in any public shareholding company. It also publishes financial ratios and corporate actions, in addition to e-services including accounts viewing, electronic public offering, and the members services which include e-mail services, members area, and web services for extracting trading statistical data.

JSC's Electronic Systems

To enhance the performance of the JSC and the national capital market institutions and in order to strengthen the work performance and the developed safe environment, 2016 has witnessed the implementation of a number of projects included in the JSC's plan and the completion of several projects successfully, as listed below:

First: Work Flow Electronic Tracking System Project

The application of this System aims to control and organize the work transactions and its contents through automation, management and follow-up. It also permits the extraction and follow-up on reports using an electronic register which works according to clear and organized rules to facilitate the completion of the Commission's transactions while ensuring the acceleration of the incoming and outgoing mail and the delivery of transactions to the competent authority on the same day on which they are received or issued. The basic aim of registration is to record a clear and sound information for each transaction to facilitate follow-up and determine the responsibility of the administrative apparatus as well as the duties of workers and the rights of stakeholders.

The Electronic Diwan System, the Electronic Correspondents System, and the JSC internal website have been already activated. Certain improvements proposed by relevant departments are being installed in order to facilitate the functionality of the system and to increase its effectiveness and efficiency in terms of the management of rapid flow of data and information and internal and external correspondence, in addition to decrease paper consumption through the transition to the electronic environment which will be completed by applying the JSC Board of Commissioners Meetings Management System, and the automation of the functions of the Issuance Department and the Enforcement and Legal Affairs Department.

Second: Notices and Measures Processing System

This System was activated in 2016 in order to save and follow-up measures and decisions taken against violators and all related documentation, as well as defining the source of the measure or decision and its chronological order from the time of its issuance until the closure of the transaction, with a focus on determining the party in charge of entering the data and follow-up by the relevant departments within an assigned timeframe.



The System provides a set of reports that enable the JSC's Board and departments concerned to review all information regarding a particular procedure or all of the actions and measures taken against the concerned party and their sources and status whether completed or in progress. The System provides a special screen for follow-up and collection of fines.

The System is characterized by maintaining the confidentiality of the information and decisions through the application of the users' authority to enter, access, modify, and register all movements carried out on the System through the creation of the chronological order record.

It is worth mentioning that the Department of Information Technology at the JSC has developed the System. It has completed the System analyses, construction of the database, the design, and development of the System screens. It has also trained related departments on the System.

Third: JSC website

The Jordan Securities Commission is very keen to upgrade and develop its own website, and update its contents by downloading and publishing necessary information including the JSC's Board decisions, reports, press releases, and drafts legislations prior to its final approval and enforcement. Hence, and with the aim to enhance the functioning of the website and its contents and provide public with all necessary information, a tender was offered to design a new website. It is expected to be launched during the second half of 2017.

Fourth: the Project of the Systems of the Licensing and Inspection Department

Phase two of the project was completed in 2014. It enabled financial services companies and registered persons to renew their licenses and registration for the years 2015 and 2016 through electronic forms accessed through protected areas on the capital market institutions network. This phase followed the finalization of the programming and development of the Project's first phase which aimed at the automation of the Department office work, such as the licenses and licenses renewal, the registration of financial professionals in these companies, violations, complaints and guarantees related to these companies and registered persons, through a system linked to a data base that includes all historical information about the companies, their registered persons and their licenses and registration.

Fifth: following up JSC technical structure

A. Following up the servers and the data backup copies.

The JSC checks daily the main servers that host the electronic systems of the JSC to ensure the safety of their work environment in anticipation of any technical failure that might hinder the services provided, in addition to auditing the withdrawn data as backup copies to refer to them if needed. The JSC is keen to maintain the safety of the computer network and the effectiveness of the security systems used against any hackings.

b- Providing the technical support for the electronic systems and for the employees of the JSC.

This is done through providing the technical support for the implementation of the electronic systems applied at the JSC which include the Surveillance System, Licensing System, the Electronic Inspection System, the Risk Centralized System, the System of Measures Taken by the JSC, and the Capital Adequacy System, in addition to the technical support offered to the JSC staff through addressing problems related to computers, printers, scanners, e-mail, internet services, and the electronic devices.



Sixth: future projects

- A tender project to buy and develop servers.
- A tender project to develop and update the computer network and the devices needed for the network protection.
- A tender project to purchase desktop computers.
- A tender project to purchase a new system of withdrawing backup copies.

Domestic, Arab and international communication

1. The domestic communication:

The JSC continued through 2016 to communicate with all segments of local society that are related and interested in the capital market. The most prominent activities in this regard were as follows:

- The JSC participated on 27/4/2016 in the Annual Conference of the Federation of Arab Stock Exchanges for 2016 which was held in Amman, where its current session was chaired by the Amman Stock Exchange, with the participation of more than 18 Arab stock markets, a number of depository centers, brokerage companies, financial services companies, mutual funds managers, investment banks, Portfolios managers, international rating agencies, and domestic, regional and international banks.
- The JSC received during the period 24-28/7/2016 experts from the International Monetary Fund (IMF) in a field visit to the JSC. A number of meetings were held with the concerned personnel to complete the execution of clauses of technical assistant programs required in the field of combating the money laundering and terrorism financing.
- The Chairman and the members of the JSC's Board met on 4/12/2016 with the Economic and Investment Committee of the Lower House of Parliament chaired by Dr. Khair Abu Sailek in order to review the most recent developments in the national capital market and the procedures taken by the JSC and the market institutions to develop the regulatory and the technical frameworks with the aim to enhance the investment climate.
- Also, the JSC met during 2016, a number of student delegations from the Management Division and the Islamic Banking Department at the Faculty of Sharia of the University of Jordan, the Division of Banking of the American University/Madaba, the Financial and Banking Sciences Division at the Faculty of Business Administration of Ajloun National University, and the Faculty of Economics and Business of Jadara University, in addition to a students' delegation from Al Zahraa Private Secondary School. These delegations were briefed on the most important developments in the national capital market and the work the market institutions.

The JSC held a number of specialized training courses, seminars, and workshops as follows:

- A training course on 14/3/2016 in cooperation with the Jordan Association of Certified Public Accountants titled "New International Financial Reporting Standard No. 16 Related to Leases" that was attended by the senior officials of the capital market institutions and with the participation of 108 persons specialized in preparing budgets for public shareholding companies. Participants were educated about the most prominent changes in the methods of financial treatment to the leases clause in budgets preparation, revision, and auditing.
- A training course dated 18/10/2016, titled "the Application of the International Auditing Standards Related to the Auditor's Report on Listed Companies"
- A workshop dated 30/10/2016 on combating money laundering and terrorism financing in the securities sector, in cooperation with Financial Services Volunteer Corps (FSVC). The workshop was specialized in the area of combating money laundering and terrorism financing in the securities sector. International experts in this field delivered lectures and discussed the most recent standards and international practices in this regard.



- A workshop on 31/10/2016 about the two draft instructions of the Securities Depository Receipts and Lending, Borrowing and Short Selling of Securities. The workshop was attended by a number of financial services companies and public shareholding companies.
- Under the patronage of H.E the Prime Minister Dr. Hani Al Mulki, and in cooperation with the European Bank for Reconstruction and Development (EBRD), the JSC organized on 13/12/2016 a discussion seminar titled “Capital Market Development Strategy and Roadmap for Jordan”. The seminar was attended by a number of ministers, members of the Senates House and the Lower House of Parliament, representatives from the European Commission and EBRD, a number of public and private institutions that are related to the securities sector, and representatives of the entities subject to the supervision of the JSC. During the Seminar, participants were briefed on the most important recommendations and projects of the Roadmap to develop the national capital market.

2. Arab and International Cooperation

The JSC continued its efforts to deepen interaction and cooperation with Arab and international regulatory organizations, to serves its regulatory objectives in enhancing investor protection and upgrading the national capital market to be in line with international standards. In this connection, Memoranda of understanding and agreements were signed with Dubai Financial Services Authority (DFSA) of Dubai International Financial Centre (DIFC) and with Abu Dhabi Global Market (ADGM). The Memoranda set a practical framework for cooperation and exchange of information and experience with these institutions in a manner that would contribute to the enhancement of the protection of investors and the development of legislations and standards in the capital markets of Jordan and the United Arab Emirates.

The Commission also, enhanced its presence on the Arab and international arena through participating in different activities and meetings, and strengthening cooperation with capital market institutions abroad to be acquainted with the latest practices and standards in the field of capital markets and benefit from their experiences.

The following table shows the Commissions' participation on the Arab and International level:

No	Conference	Place	Period
1.	MENA Regulator-Corporate Governance Forum	United Arab Emirates	9-10/2/2016
2.	The 10th Meeting of the Union of Arab Securities Authorities	Cairo	3/3/2016
3.	The First Meeting of the Working Group in Charge of Implementing the Strategic Plan for the Union of Arab Securities Authorities	United Arab Emirates	25-26/9/2016
4.	DATA Amplified 2016	Singapore	7-10/11/2016
5.	The 12th High Level Meeting on Recent Developments in Banking Supervision and Financial Stability	United Arab Emirates	7/12/2016
6.	The Second Meeting of the Working Group in Charge of Implementing the Strategic Plan for The Union of Arab Securities Authorities.	United Arab Emirates	28-29/12/2016



The Capital Market Development Strategy and Roadmap

In Cooperation with the European Bank for Reconstruction and Development (EBRD) the JSC has reached an action plan and a road- map towards enabling market development. “The Capital Market Development Strategy and Roadmap” focuses on assisting the JSC in upgrading its legal and technical frameworks, enhancing fixed income instruments market, training capital market institutions staffs, enhancing corporate governance compliance mechanisms, demutualization of the ASE, and implanting best practices and standards in the market.

The Roadmap includes comprehensive recommendations that cover all aspects of the capital market and related national institutions. The plan states appropriate description for each recommendation and clarifies the effect of the recommendation on the short and the medium terms, the priority of accomplishing the recommendation, and identifies the time frame needed for its application, in addition to defining the national party responsible for following up the implementation and application of the such recommendation. To implement the recommendations according to the national priorities, the Roadmap recommended the establishment of a national team supported by the Government to follow up the application of the entire Roadmap. In line with its partnership policy, the JSC has posted the Roadmap on its website to solicit comments and feedback from its partners and stakeholders in the national capital market to enrich the plan and achieve the goals of the JSC that aim at upgrading the market, enhancing the confidence in the investment climate in securities sector, and protecting the market from any potential risks by developing the technical and regulatory frameworks according to the most recent international standards and practices.

The Roadmap aims at enhancing the confidence of domestic and foreign investors in the market by following a number of recommendations including the implementation of best polices and standards in corporate governance and enhancing disclosure by the issuers, facilitating the procedures of foreign investment, the continuation in adopting and accrediting the best international standards and practices, taxes exemption for the institutional investment, and granting the JSC more authorities to enhance its capacity building and capabilities and enable it to recruiting and retain experienced and efficient employees.

It is worth mentioning that prior to the preparation of the Roadmap, the JSC had requested the assistance of the EBRD to conduct a detailed diagnostic report identifying the status- co in the national capital market and present its recommendations to enhance the efficiency and integrity of the market.

King Abdulla II Award for Excellence in Government Performance and Transparency

On 23/3/2016, the JSC received the Seal of Excellence in the category of the institutions that participated more than once in King Abdulla II Award for Excellence in Government Performance and Transparency. The results of the seventh tournament for the years 2014/2015 for the award categories that include the private and public sectors, buisness associations and non profit organizations were announced during the ceremony of organized by King Abdulla II Center for Excellence under the patronage of His Majesty King Abdulla II at the Palace of Culture.

The project of transforming the ASE to a public company

In light of the Council of Ministers’ adaption of the JSC recommendation of demutualizing the ASE and transforming it to a public shareholding company, and the Council’s adoption of the first package of the recommendations of the Economic Policy Council, among which was the demutualization of the ASE, the JSC has completed legal procedures and administrative arrangements needed for the process. The JSC worked on the execution of the decision of the Law Interpretation Bureau that enables the transformation of the ASE to a public shareholding company pursuant to the provisions



of Article (65/h) of the Securities Law No. 76 for 2002. Committees were formed to determine the company's capital and draft the company's Memorandum of Association and Articles of Association. The Council of Ministers approved the reports issued by these committees forming a prelude to the completion of the transformation process that is expected to be accomplished during the first quarter in the next year 2017.

In light of the previous international experiences of demutualization of the exchanges to public shareholding companies, that started at the beginning of the 1990s, as the number of exchange markets that were transformed to companies reached more than 60 stock exchanges around the world, among which were the biggest international exchanges as New York, London and a number of Arab exchange markets such as Dubai, Bahrain and Qatar, it is expected that the transformation process will enhance the economic benefit presented by the ASE to the economy in general and to the treasury in particular. It enables the stock exchange of offering better services, increasing the competitiveness, and building alliances and strategic partnerships with regional and international stock exchanges. The ASE shall also be able to benefit from the management styles of the private sector, following the best good governance practices, practicing commercial activities, establishing investment projects, diversifying the sources of income of the stock exchange to increase its revenues, easier access to finance through increasing its capital or borrowing, and increasing the efficiency and effectiveness of the economic activities.



Financial Statements



Jordan Securities Commission
Legal entity with financial and administrative independence
Amman-The Hashemite Kingdom of Jordan

Financial Statements and
Independent Auditor's Report
for the year ended December 31, 2016



Jordan Securities Commission
Legal entity with financial and administrative independence
Amman-The Hashemite Kingdom of Jordan

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Statement of cash flows for the year ended December 31, 2016	
Notes to the financial statements	



105181031

Independent Auditor's Report

To Messrs. Jordan Securities Commission
Legal entity with financial and administrative independence
Amman-The Hashemite Kingdom of Jordan

Opinion

We have audited the financial statements of **Jordan Securities Commission (Legal entity with financial and administrative independence)**, which comprise the statement of financial position as at December 31, 2016, and the statements of revenues and expenses, changes in reserves and cash flows for the year then ended, and notes to the financial statements comprising significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects of the financial position of the Center as at December 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Center in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Reference to note (7) of the financial statement included in the property and equipment item, a land and building with a cost of JD 3,167,240, which represent the Jordan Securities Commission share of 47% ownership of the common building that accommodate Jordan Securities Commission, Amman Stock Exchange and Securities Depository Center. The building and the land are registered under Jordan Securities Commission name.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Center ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Center or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Center's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Center's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Center to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Talal Abu-Ghazaleh & Co. International

**Mohammed Al-Azraq
(License No. 1000)
Amman on, March 27, 2017**



Jordan Securities Commission
Legal entity with financial and administrative independence
Amman-The Hashemite Kingdom of Jordan

Statement of financial position as at December 31, 2016

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
		JD	JD
ASSETS			
Current Assets			
Cash and cash equivalents	3	4,597,336	4,830,530
Accrued uncollected revenues	4	82,989	280,241
Other debit balances	5	141,445	98,932
Employees' housing loans receivable - current portion	6	22,284	26,160
Total Current Assets		4,844,054	5,235,863
Non-Current Assets			
Employees' housing loans receivable	6	166,823	213,276
Property and equipment	7	1,662,646	1,646,158
Total Non-Current Assets		1,829,469	1,859,434
TOTAL ASSETS		6,673,523	7,095,297
LIABILITIES AND EQUITY			
Current Liabilities			
Other credit balances	8	600,568	437,487
Total Current Liabilities		600,568	437,487
Equity			
Reserve for property and equipment (capital)		6,000,000	6,000,000
Retained surplus		72,955	657,810
Total Equity		6,072,955	6,657,810
TOTAL LIABILITIES AND EQUITY		6,673,523	7,095,297



Jordan Securities Commission
Legal entity with financial and administrative independence
Amman-The Hashemite Kingdom of Jordan

Statement of revenues and expenses for the year ended December 31, 2016

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
REVENUES		JD	JD
Trading commissions		2,344,588	3,425,187
Securities registration fees		580,852	310,502
Securities listing fees		443,955	447,239
Companies licensing fees		208,300	210,900
Financial penalties		239,131	311,276
Bank interest		796	20,159
Other revenues ,net	9	22,035	98,920
Total revenues		3,839,657	4,824,183
EXPENSES			
Administrative expenses	10	3,166,702	3,118,353
Total expenses		3,166,702	3,118,353
Surplus		672,955	1,705,830



Jordan Securities Commission
Legal entity with financial and administrative independence
Amman-The Hashemite Kingdom of Jordan

Statement of changes in equity for the year ended December 31, 2016

	Reserve for property and equipment (capital)	Retained surplus	Total
	JD	JD	JD
Balance as at January 1, 2015	6,000,000	-	6,000,000
Surplus	-	1,705,830	1,705,830
Closing of Ministry of Finance advance	-	(48,020)	(48,020)
Transferred to Ministry of Finance	-	(1,000,000)	(1,000,000)
Balance as at December 31, 2015	6,000,000	657,810	6,657,810
Surplus	-	672,955	672,955
Transferred to Ministry of Finance	-	(1,257,810)	(1,257,810)
Balance as at December 31, 2016	6,000,000	72,955	6,072,955



Jordan Securities Commission
Legal entity with financial and administrative independence
Amman-The Hashemite Kingdom of Jordan

Statement of cash flows for the year ended December 31, 2016

	<u>2016</u>	<u>2015</u>
	<u>JD</u>	<u>JD</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus	672,955	1,705,830
Adjustments for:		
Depreciation	155,505	148,750
Doubtful accrued revenues and employees loans	1,476	41,070
Recovery of provisions	(18,706)	-
Accrued uncollected revenues closed in provision	-	(14,040)
Bank interest	(796)	(20,159)
Loss (gain) on sale of property and equipment	1,675	(1,191)
Changes in operating assets and liabilities:		
Accrued uncollected revenues	215,958	(198,752)
Other debit balances	(42,513)	5,874
Other credit balances	14,138	37,016
Net cash from operating activities	<u>999,692</u>	<u>1,704,398</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Bank interest received	796	20,159
Employees' housing loans receivable	48,853	31,036
Purchase of property and equipment	(25,525)	(12,069)
Proceed from sale of property and equipment	800	1,200
Net cash from investing activities	<u>24,924</u>	<u>40,326</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Transferred to Ministry of Finance	(1,257,810)	(1,000,000)
Net cash from financing activities	<u>(1,257,810)</u>	<u>(1,000,000)</u>
Net change in cash and cash equivalents	<u>(233,194)</u>	<u>744,724</u>
Cash and cash equivalents - beginning of year	4,830,530	4,085,806
Cash and cash equivalents - end of year	<u><u>4,597,336</u></u>	<u><u>4,830,530</u></u>
Non-cash transactions		
Value of projects under progress recorded according to tender and future liabilities provision	<u>148,943</u>	<u>24,700</u>
Closing of Ministry of Finance advance in retained earnings	<u>-</u>	<u>48,020</u>



Jordan Securities Commission
Legal entity with financial and administrative independence
Amman-The Hashemite Kingdom of Jordan

Notes to the financial statements

1. Legal status and activities

- The Commission (JSC) was established on May 15th, 1997 as a legal entity with financial and administrative independence according to the Securities Temporary Law number (23) for the year 1997, which was replaced with the Securities Temporary Law number (76) for the year 2002.
- JSC's main objectives are:
 - Protecting investors of securities.
 - Organizing and developing the capital market to ensure justice, efficiency, and transparency.
 - Protecting the capital market from risks that could be exposed to.
- Financial statements were approved by the JSC's Board of Commissioners in its meeting held on March 26, 2017.

2. Basis for preparation of financial statements and significant accounting policies

– **Financial statements preparation framework**

The financial statements have been prepared in accordance with International Financial Reporting Standards

– **Measurement bases used in preparing the financial statements**

The financial statements have been prepared on the historical cost basis except for measurement of certain items measured at bases other than historical cost.

– **Functional and presentation currency**

The financial statements have been presented in Jordanian Dinar (JD) which is the functional currency of the entity.

– **Using of estimates**

- When preparing of financial statements, management uses judgments, assessments and assumptions that affect applying the accounting policies and carrying amounts of assets, liabilities, revenue and expenses. Actual result may differ from these estimates.
- Change in estimates shall be recognized in the period of the change, and future periods if the change affects them.
- For example, estimates may be required for doubtful and bad debts, useful lives of depreciable assets, provisions, and any legal cases against the entity.

– **Financial instruments**

Financial instrument is any contract that results a financial asset of one entity and financial liability or equity instrument of another entity.

– **Financial assets**

- A financial asset is any asset that is:
 - (a) Cash; or
 - (b) An equity instrument of another entity; or
 - (c) A contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or
 - (d) A contract that will or may be settled in the entity's own equity instruments.
- Financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset



- All recognized financial assets are subsequently measured either at amortized cost or fair value, on the basis of both:
 - (a) The entity's business model for managing the financial assets.
 - (b) The contractual cash flow characteristics of the financial assets.
- A financial asset is measured at amortized cost if both of the following conditions are met:
 - (a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
 - (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- All other financial assets are subsequently measured at fair value.
- A gain or loss on a financial asset that is measured of fair value and is not part of a hedging relationship is recognized in profit or loss unless the financial asset is an investment in an equity instrument and the entity has elected to present gains and losses on that investment in other comprehensive income.

Cash and cash equivalents

- Cash comprises cash on hand, current accounts and demand deposits with banks.
- Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade receivables

- Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
- Trade receivables are stated at invoices amount net of allowance for doubtful receivables which represents the collective impairment of receivables

Loans receivable

- Loans receivable are non derivative financial assets with fixed or determinable payment that are not quoted in an active market.
- Loans receivable are stated at granted amounts less any allowance for doubtful loans which represents the collective impairment of loans.
- A simple credit interest is calculated on the housing loans granted to the employees with a yearly rate of 5%, and simple debit interest is also calculated on the settled housing loans granted principles' installments with a yearly rate of 5%. The difference between the credit and debit interest is part of the granted loan.

Impairment of financial assets

- Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each year.
- The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets. The amount of the impairment loss shall be recognized as loss.

Financial liabilities

- A financial liability is any liability that is:
 - (a) A contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
 - (b) A contract that will or may be settled in the entity's own equity instruments.
- Financial liabilities are initially recognized at fair value plus transaction costs, directly attributable to the acquisition or issue of those liabilities, except for the financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.
- After initial recognition, the entity measures all financial liabilities at amortized cost using the effective interest method, except for financial liabilities at fair value through profit or loss which are measured at fair value and other determined financial liabilities which are not measured under amortized cost method.
- Financial liabilities at fair value through profit or loss are stated at fair value, with any resulting gain or loss from change in fair value is recognized through profit or loss.



– **Trade payables and accruals**

Trade payables and accruals are liabilities to pay for goods or services that have been received or supplied and have been either invoiced or formally agreed with the suppliers or not.

– **Related parties**

- Transactions with related parties represent transfer of resources, services, or obligations between related parties.
- Terms and conditions relating to related party transactions are approved by management.

– **Property and equipment**

- Property and equipment are initially recognized at their cost being their purchase price plus any other costs directly attributable to bringing the assets to the location, and conditions necessary for them to be capable of the operating in the manner intended by management.
- After initial recognition, the property and equipment are carried in the statement of financial position, at their cost less any accumulated depreciation and any accumulated impairment. Land is not depreciated.
- The depreciation charge for each period as an expense. Depreciation is calculated on a straight line basis, which reflects the pattern in which the assets' future economic benefits are expected to be consumed over the estimated useful life of the assets using the following rates:

Category	Rates
	%
Building	4
Office equipment	10
Computer softwares and hardwares	33.33
Vehicles	10
Furniture	10

- The estimated useful lives are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.
- The carrying values of property and equipment are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.
- On the subsequent derecognition (sale or retirement) of the property, and equipment, the resulting gain or loss, being the difference between the net disposal proceed, if any, and the carrying amount, is included in profit or loss.

– **Impairment of assets**

- At each statement of financial position date, management reviews the carrying amounts of its assets to determine whether there is any indication that those assets have been impaired.
- If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and the value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset.
- An impairment loss is recognized immediately as a loss.
- Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized in prior years. A reversal of an impairment loss is recognized immediately as income.



– **Provisions**

- Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of financial position date.
- Provisions reviewed and adjusted at each statement of financial position date. If outflows, to settle the provisions, are no longer probable, reverse of the provision is recorded as income.
- End of service indemnity provision is calculated as one month for each year of service for employees with less than 5 years- service; month and a half for each year of service for employees with more than 5 and less than 10 years – service; and two months for each year of service for employees with more than 10 years - service.
- Issued in the official gazette in 2011 an amendment to the civil service system number (30) of 2007, as amended, and accordingly the employees of the Jordan Securities Commission were to comply with the provisions of this system as of January 1, 2012. System provides on the disbursement of end of service indemnity to the Commission's employees who were entitled to under the legislation for their departments before the effect of these rules, and the bonus was calculated in accordance with the legislation of their own until the date of December 31, 2011 and according to the instructions issued by the civil service board for this purpose. Thus the work was stopped on end of service as of January 1, 2012.

– **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

Trading Commission

JSC deducts from its members commission on the trade volume with a rate of 0.05% on the market value of trade from both of the buyer and the seller.

Security listing fees

JSC deducts security listing fees with a rate of 0.02% on the face value of the financial securities that are issued in Jordan, and the corporate bonds that are issued from Jordanian public holding companies with a maximum fee of JD 2,000 for any of them. Also, JSC deducts a fixed fee with the amount of JD 250 for issuing bonds from the government or any other official corporation or municipalities.

Security registration fees

JSC deducts security registration fees as follows:

- 0.3% from the face value of the financial securities that are issued inside Jordan, except for corporate bond, with a maximum fee of JD 50,000.
- 0.02% from the face value of the corporate bonds that are issued from the Jordanian public companies, with a maximum fee of JD 3,000.
- JSC does not charge a fee towards registering corporate bonds that are issued from the government or any other official corporation or municipalities.

Interest revenue

Interest revenue is accrued on the time basis and by going back to the principal amount, and the active interest rate used

3. **Cash and cash equivalents**

	2016	2015
	JD	JD
Current accounts at banks - JD (*)	4,597,336	4,086,800
Deposit account at bank - JD	-	743,730
Total	4,597,336	4,830,530

(*) This item includes amount of JD 4,595,125 deposit in Central Bank of Jordan / treasury consolidated account.



4. Accrued uncollected revenues

	2016	2015
	JD	JD
Accrued uncollected revenues	277,703	493,661
Less: Allowance for doubtful accrued uncollected revenue provision (*)	(194,714)	(213,420)
Net	82,989	280,241

(*) Movement of allowance for doubtful accrued uncollected revenues provision during the year was as follows:

	2016	2015
	JD	JD
Balance - beginning of year	213,420	187,866
Provided during the year	-	39,594
Recovery of provisions	(18,706)	-
Receivables closed in provision	-	(14,040)
Balance - end of year	194,714	213,420

5. Other debit balances

	2016	2015
	JD	JD
Amman Stock Exchange receivable	50,893	25,329
Securities Deposit Center receivable	40,693	24,311
Prepaid expenses	27,879	27,261
Employees receivable	11,723	4,998
Refundable deposits	4,586	4,586
Cheques under collection and on hand	3,000	9,250
Others	1,599	2,125
Work advance	1,072	1,072
Total	141,445	98,932

6. Employees' housing loans receivable

	2016			2015
	Current	Non - current	Total	Total
	JD	JD	JD	JD
Loans receivable	23,760	227,022	250,782	299,635
Less: Doubtful employees housing loans provision (*)	(1,476)	(60,199)	(61,675)	(60,199)
Net	22,284	166,823	189,107	239,436

(*) Movement of allowance for doubtful loans during the year was as follows:

	2016	2015
	JD	JD
Balance - beginning of year	60,199	58,723
Provided during the year	1,476	1,476
Balance - end of year	61,675	60,199

7. Property and equipment

	2016		2015					
	Land (*)	Building (*)	Office equipment	Computer hardwares and softwares	Vehicles	Furniture	progress	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Cost								
Balance - beginning of year	287,483	2,879,757	129,062	1,373,941	363,161	189,840	24,700	5,247,944
Additions	-	-	9,966	12,300	-	3,259	148,943	174,468
Disposals	-	-	(13,680)	(92,695)	-	-	-	(106,375)
Transferred	-	-	-	12,350	-	-	(12,350)	-
Balance - end of year	287,483	2,879,757	125,348	1,305,896	363,161	193,099	161,293	5,316,037
Accumulated depreciation								
Balance - beginning of year	-	1,651,036	90,687	1,349,878	334,002	176,183	-	3,601,786
Depreciation (*)	-	115,505	8,718	15,025	11,724	4,533	-	155,505
Disposals	-	-	(11,227)	(92,673)	-	-	-	(103,900)
Balance - end of year	-	1,766,541	88,178	1,272,230	345,726	180,716	-	3,653,391
Net	287,483	1,113,216	37,170	33,666	17,435	12,383	161,293	1,662,646
Cost								
Balance - beginning of year	287,483	2,879,757	132,498	1,343,684	469,567	191,310	24,700	5,328,999
Additions	-	-	6,989	30,257	5,800	-	-	43,046
Disposals	-	-	(10,425)	-	(112,206)	(1,470)	-	(124,101)
Balance - end of year	287,483	2,879,757	129,062	1,373,941	363,161	189,840	24,700	5,247,944
Accumulated depreciation								
Balance - beginning of year	-	1,535,846	91,245	1,343,621	434,526	171,890	-	3,577,128
Depreciation (*)	-	115,190	9,865	6,257	11,677	5,761	-	148,750
Disposals	-	-	(10,423)	-	(112,201)	(1,468)	-	(124,092)
Balance - end of year	-	1,651,036	90,687	1,349,878	334,002	176,183	-	3,601,786
Net	287,483	1,228,721	38,375	24,063	29,159	13,657	24,700	1,646,158

(*) The building and land included above represent the JSC's share of 47% ownership of the building that is common between JSC, Amman Stock Exchange, and Securities Deposit Center. The building and the land are registered under JSC's name.

8. Other credit balances

	<u>2016</u>	<u>2015</u>
	JD	JD
Unearned revenues	203,525	199,675
Tender and future liabilities provision (*)	161,293	24,700
Medical Care Fund for Commissioners, Employees and Employees of JSC (**)	103,096	-
Deposits	101,122	101,308
Accrued expenses	18,791	91,640
End of service indemnity provision (***)	11,674	11,674
Postage payable / Ministry of Finance	1,067	2,690
Other	-	5,800
Total	<u>600,568</u>	<u>437,487</u>

(*) Movement of tender and future liabilities provision during the year was as follows:

	<u>2016</u>	<u>2015</u>
	JD	JD
Balance - beginning of year	24,700	55,677
Used during the year	(12,350)	(55,677)
provided during the year	148,943	24,700
Balance - end of year	<u>161,293</u>	<u>24,700</u>

(**) This amount represents the value of the funds transferred to the commission from the medical care fund after it was decided to close the fund permanently based on Board of Directors decision 2016/235 and transfer all fund's accounts to the commission in order for the commission to pay the medical dues to the employees.

(***) Movement of end of service indemnity provision during the year was as follows:

	<u>2016</u>	<u>2015</u>
	JD	JD
Balance - beginning of year	11,674	34,375
Paid during the year	-	(22,701)
Balance - end of year	<u>11,674</u>	<u>11,674</u>

9. Other revenues

	2016	2015
	JD	JD
Recovery of provisions	18,706	-
Housing loans interests	3,855	5,819
Other	1,149	519
(Loss) gain from sale of property and equipment	(1,675)	1,191
Surplus of Health Care Fund	-	80,141
Training programs revenue	-	11,250
Total	22,035	98,920

10. Administrative expenses

	2016	2015
	JD	JD
Salaries, wages and other benefits	2,191,012	2,139,300
Company's contribution to social security	243,242	207,464
Water and electricity	176,510	176,148
Deprecation	155,505	148,750
Maintenance	116,808	119,473
Professional fees	67,048	63,800
Subscriptions	25,956	24,234
Travel on official business	25,521	32,936
Security	23,725	22,080
JSC contribution in employees 'saving fund	20,135	21,010
Communication	19,139	15,760
Cleaning	18,077	18,451
Training	15,396	13,622
Fuel	13,697	17,333
Non staff bonus	10,480	4,580
Hospitality	10,374	8,039
Miscellaneous	10,106	11,415
Insurance	8,615	8,738
Stationery and printings	7,036	10,480
Staff uniform	5,430	5,830
Doubtful accrued revenues expense and employees loans receivable	1,476	41,070
Advertisement	1,414	1,266
Loan interests exempt	-	3,712
Training programs	-	2,862
Total	3,166,702	3,118,353

11. Legal cases by or on JSC

As mentioned in Department of Legal Affairs letter, there is a legal case with undetermined value raised by JSC on others as at the statement of financial position date. And there are legal cases raised by other on JSC and other parties amounting to JD 44,258,505.

12. Risk management

a) Capital risk (Equity)

Reserves and retained surplus are managed property to ensure continuing as a going concern while maximizing the return through the optimization of the debt and equity balance.

b) Currency risk:

- Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- The risk arises on certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the year.
- Certain procedures to manage the exchange rate risk exposure are maintained.
- The entity is not exposed to currency rate risk.

c) Interest rate risk:

- Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- The risk arises on exposure to a fluctuation in market interest rates resulting from borrowings and depositing in banks.
- The risk is managed by maintaining an appropriate mix between fixed and floating interest rates balances during the financial year.
- The Commission is subject to interest rate risk.

d) Other price risk:

- Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
- The risk arises from investing in equity investments.
- The Commission is not exposed to other price risk.

e) Credit risk:

- Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Regularly, the credit ratings of debtors and the volume of transactions with those debtors during the year are monitored.
- Ongoing credit evaluation is performed on the financial condition of debtors.
- The carrying amount of financial assets recorded in the financial statements represents the maximum exposure to credit risk without taking into account the value of any collateral obtained.

f) Liquidity risk:

- Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.
- Liquidity risk is managed through monitoring cash flows and matching with maturity dates of the financial assets and liabilities.

- The following table shows the maturity dates of financial assets and liabilities as of December 31:

Description	Less than a year		A year and more	
	2016	2015	2016	2015
	JD	JD	JD	JD
Financial Assets				
Cash and cash equivalents	4,597,336	4,830,530	-	-
Accrued uncollected revenues	82,989	280,241	-	-
Other debit balances	113,566	71,671	-	-
Employees' housing loans receivable	22,284	26,160	166,823	213,276
Total	4,816,175	5,208,602	166,823	213,276
Financial Liabilities				
Other credit balances	224,076	201,438	-	-
Total	224,076	201,438	-	-

13. Standards and Interpretations issued but not yet effective

Up to the date of these financial statements, the following Standards and Interpretations were issued by the International Accounting Standards Board but not yet effective:

Standard or Interpretation No.	Description	Effective date
IFRS (9) - New	Financial Instruments	Jan 1, 2018 or after
IFRS (15) - New	Revenue from contracts with customers	Jan. 1, 2018 or after
IFRS (16) - New	Leases – all leases are being recognized in the statement of financial position, without distinctions between operating and finance leases	Jan 1, 2019 or after
IAS (7) - Amendments	Additional disclosures enables users of financial statement to assess the required changes arising from financial operation	Jan 1, 2017 or after
IAS (12) - Amendments	Recognition to deferred tax assets for unrealized losses	Jan 1, 2017 or after

Management anticipates that the adoption of these Standards and Interpretations in current or future periods may not have material impact on the financial statements.

Annexes

Annex (1) Issuances

Annex(2) Tables contain the names of parties that violated the provisions of Securities Law No. 76 for the year 2002 and related regulations and decisions issued pursuant thereto, and measures taken against violators

Table (1)
Primary issues of public shareholding companies for the year
2016

No .	Company	Method of increasing capital	No. of shares registered	Issuing price (JD)	Value of shares registered (JD)	No. of shares covered	Value of shares covered (JD)
1.	Noor Capital Markets for Diversified Investments	Non-Public offer	450,000	0.600	270,000	450,000	270,000
2.	Jordan Poultry Processing and Marketing Co.	Public offer	9,976,000	1.00	9,976,000	9,534,305	9,534,305
3.	Royal Jordanian	Non-Public offer	100,000,000	1.00	100,000,000	100,000,000	100,000,000
4.	South Electronics	Non-Public offer	2,000,000	0.750	1,500,000	2,000,000	1,500,000
5.	First Insurance	Non-Public offer	4,000,000	1.000	4,000,000	4,000,000	4,000,000
6.	Al Bilad Medical(Istiklal Hospital)	Public offer	8,000,000	1.000	8,000,000	8,000,000	8,000,000
7.	Integrated Multi-Company Transport	Public offer	8,500,000	1.000	8,500,000	5,183,300	5,183,300
8.	Enjaz Development and Multi Projects Co.	Non-Public offer	10,250,000	1.140	11,685,000	10,250,000	11,685,000
9.	Sheba Metal Casting	Non-Public offer	40,300	1.000	40,300	40,300	40,300
10.	Winter Valley Tourism & Investment Company	Public offer	20,820,065	0.260	5,413,217	20,820,065	5,413,217
11.	Comprehensive Land Development & Investment	Non-Public offer	2,783,300	1.000	2,783,300	2,783,300	2,783,300
12.	Jordan Emirates Insurance	Public offer	1,000,000	1.000	1,000,000	1,000,000	1,000,000
13.	Nutri Dar	Public offer	3,079,364	1.000	3,079,364	2,695,276	2,695,276

14.	Arabian Aviation Investment Company	Non-Public offer	3,000,000	2.000	6,000,000	0	0
15.	Jordan Loan Guarantee Corporation	Non-Public offer	19,080,310	1.000	19,080,310	19,080,310	19,080,310
16.	Century Investment Group	Public offer	4,808,440	1.000	4,808,440	4,597,432	4,597,432
17.	The Holy Land Insurance	Non-Public offer	2,000,000	0.650	1,300,000	2,000,000	1,300,000
18.	Arab Union International Insurance	Public offer	2,000,000	1.000	2,000,000	0	0
19.	El –Zay Ready Wear Manufacturing Co.	Public offer	5,294,754	1.000	5,294,754	0	0
	Total		207,082,533		194,740,685	192,434,288	177,082,440

Table (2)
Registered shares in previous years covered in 2016

No.	Company	Method of increasing capital	Issuing price (JD)	No. of shares covered	Value of shares covered (JD)
1.	The Holy Land Insurance	Non- Public offer	0.65	1,392,271	904,976
2.	Ihdathiat Coordinates	Public offer	0.612	416,000	254,592
	Total			1,808,271	1,159,568

Table (3)
Registered Islamic Sukuk covered in 2016

No	Company	Registered Sukuk	No. of registered Sukuk	Total value for Sukuk (JD)	Value of covered Sukuk (JD)
1.	National Electric power/ first issuance	Binding promise to purchase. Murabaha	75,000	75,000,000	75,000,000
2.	Jordan Islamic Sukuk Company for Financing Governmental Project	Lease ending in ownership	34,000	34,000,000	34,000,000
	Total		109,000	109,000,000	109,000,000

Table (4)**Companies that raised their capital through capitalization
of reserves and retained earnings in 2016**

No.	Company	Capitalization method	No. of shares issued	Value of shares issued (JD)
1.	Al Eqbal Investment	Retained earnings	5,000,000	5,000,000
2.	Bank of Jordan	Retained earnings and an optional reserves	44,900,000	44,900,000
3.	Cairo Amman Bank	Retained earnings	20,000,000	20,000,000
4.	Jordan Commercial Bank	Retained earnings	7,875,000	7,875,000
5.	Philadelphia Pharmaceutical Co.	Retained earnings and an optional reserves	2,500,000	2,500,000
6.	Siniora Food Industries	Retained earnings	3,000,000	3,000,000
7.	Jordanian Electric Powers Co.	Retained earnings	1,890,000	1,890,000
8.	Jordan Petroleum Refinery Co.	Retained earnings	25,000,000	25,000,000
9.	Jordan Phosphate Mines Co.	Retained earnings	7,500,000	7,500,000
	Total		117,665,000	117,665,000



Table (5)

Companies that decreased their capital in 2016

No.	Company	Reason of decreasing the capital	No. of decreased shares
1.	Jordanian Clothing Company	Amortization	2,039,905
2.	Integrated Multi Company Transport	Amortization	23,500,000
3.	Jordan Telecom Group	Excess to its needs	62,500,000
4.	Specialized Investment Compounds	Amortization	17,660,000
5.	The Arab Financial Investment Co.	Excess to its needs	5,000,000
6.	Future Arab Investment	Amortization	9,125,000
7.	Arab For Investment Projects	Amortization	6,448,018
8.	Comprehensive Land Development and Investment	Amortization	4,783,300
9.	Al-Ekbal Printing and Packaging Co.	Excess to its needs	1,500,000
10.	Middle East Complex for Engineering Electronics and Heavy Industries	Amortization	125,000,000
11.	Elzay Ready Wear Manufacturing	Amortization	8,294,754
12.	OFFTEC Holding Group	Treasury Stocks	1,050,000
13.	Amoun International for Investment	Amortization	5,850,737
14.	Arab Union International Insurance	Amortization	4,000,000
15.	Trust International Transport	Amortization	2,934,750
16.	Al-Qaria Food and Vegetables Oil Industries	Amortization	6,500,000



17.	AlFaris National Company for Investment and Export	Amortization	10,000,000
18.	The Consulting and Investment Group	Amortization	12,174,638
19.	Methaq for Real Estate Investment	Excess to its needs	3,765,041
20.	Nutridar	Unsubscribed shares	79,364
21.	Nobar Co.	Unsubscribed shares	399,930
		Total	312,605,437

Table (6)
Bonds registered in 2016

No.	Company	Registration date	No. of registered bonds	Value of bonds registered (JD)	Value of bonds covered (JD)
1.	*Jordan Mortgage Refinance	22/5/2016	61,500	61,500,000	61,500,000
2.	**Jordan Mortgage Refinance	4/9/2016	64,000	64,000,000	49,650,000
3.	***Arab International Hotels	18/12/2016	10,000	10,000,000	0
Total			135,500	153,500,000	111,150,000

*Clarification in table (6-a)

**Clarification in table (6-b)

*** No bonds were covered in 2016



Table (6-a)
Bonds of Jordan Mortgage Refinance Company registered in
22/5/2016

No.	Company	Issuing date	Maturity date	Interest Rate	No. of bonds covered	Value of bonds covered (JD)
1.	Jordan Mortgage Refinance	19/7/2016	19/7/2018	2.900%	10,650	10,650,000
2.	Jordan Mortgage Refinance	20/7/2017	20/7/2017	2.85%	2,000	2,000,000
3.	Jordan Mortgage Refinance	8/8/2016	8/8/2017	2.785%	10,000	10,000,000
4.	Jordan Mortgage Refinance	15/8/2016	15/8/2019	3.400%	10,000	10,000,000
5.	Jordan Mortgage Refinance	23/8/2016	23/8/2019	3.35%	4,000	4,000,000
6.	Jordan Mortgage Refinance	31/8/2016	31/8/2019	3.500%	10,000	10,000,000
7.	Jordan Mortgage Refinance	18/9/2016	18/9/2018	3.00%	1,000	1,000,000
8.	Jordan Mortgage Refinance	13/11/2016	13/11/2018	3.850%	5,000	5,000,000
9.	Jordan Mortgage Refinance	10/11/2016	24/5/2017	2.650%	5,000	5,000,000
10.	Jordan Mortgage Refinance	18/12/2016	18/12/2019	3.450%	3,500	3,500,000
11.	Jordan Mortgage Refinance	28/12/2016	28/12/2017	3.200%	350	350,000
Total					61,500	61,500,000

Table (6-b)
Bonds of Jordan Mortgage Refinance Company registered in
22/5/2016

No.	Company	Issuing date	Maturity date	Interest Rate	No. of bonds covered	Value of bonds covered (JD)
1.	Jordan Mortgage Refinance	28/12/2016	28/12/2017	3.200%	19,650	19,650,000
2.	Jordan Mortgage Refinance	29/12/2016	29/12/2019	3.500%	30,000	30,000,000
Total					49,650	49,650,000



Table (7)
Bonds registered in previous years and covered in 2016

No.	Company	Registration date	Issuing date	Maturity date	Interest rate	No. of bonds covered	Value of bonds covered (JD)
1.	Jordan Mortgage Refinance	19/5/2015	24/2/2016	26/2/2017	2.750%	2,000	2,000,000
2.	Jordan Mortgage Refinance	19/5/2015	20/3/2016	20/3/2018	2.800%	1,000	1,000,000
3.	Jordan Mortgage Refinance	19/5/2015	3/4/2016	3/4/2019	3.500%	5,000	5,000,000
4.	Jordan Mortgage Refinance	19/5/2015	13/4/2016	13/4/2019	3.650%	10,000	10,000,000
5.	Jordan Mortgage Refinance	19/5/2015	14/4/2016	14/4/2017	2.650%	5,000	5,000,000
6.	Jordan Mortgage Refinance	19/5/2015	24/4/2016	24/4/2017	2.600%	5,000	5,000,000
7.	Jordan Mortgage Refinance	19/5/2015	2/5/2016	2/5/2019	3.350%	2,500	2,500,000
8.	Jordan Mortgage Refinance	19/5/2015	11/5/2016	11/5/2019	3.350%	5,000	5,000,000
9.	Jordan Mortgage Refinance	19/5/2015	18/5/2016	18/5/2017	2.650%	5,000	5,000,000
10.	Jordan Mortgage Refinance	19/5/2015	15/6/2016	15/6/2019	3.600%	5,000	5,000,000
11.	Jordan Mortgage Refinance	19/5/2015	19/7/2016	19/7/2018	2.900%	9,350	9,350,000
Total						54,850	54,850,000



Table (8)

Securities registered with the JSC in 2016, issued or guaranteed by
the Government through the Central Bank of Jordan

No.	Issuer	Registration date	Issuance date	Maturity date	Interest Rate	Nominal value (JD)
1.	Treasury Bonds	5/1/2016	25/11/2015	25/11/2018	2.974%	100,000,000
2.	Treasury Bonds	5/1/2016	6/12/2015	6/12/2020	3.617%	50,000,000
3.	Treasury Bonds	5/1/2016	8/12/2015	8/12/2018	3.044%	50,000,000
4.	Treasury Bonds	5/1/2016	10/12/2015	10/12/2018	3.087%	75,000,000
5.	Treasury Bonds	5/1/2016	14/12/2015	14/12/2018	3.192%	75,000,000
6.	Treasury Bonds	5/1/2016	17/12/2015	17/12/2017	3.635%	75,000,000
7.	Treasury Bonds	5/1/2016	21/12/2015	21/12/2018	3.271%	50,000,000
8.	Treasury Bonds	12/1/2015	23/12/2015	23/12/2017	2.770%	50,000,000
9.	Treasury Bills	2/2/2016	5/1/2016	5/7/2016	1.990%	50,000,000
10.	Treasury Bills	8/2/2016	12/1/2016	12/7/2016	2.070%	50,000,000
11.	Treasury Bonds	16/2/2016	19/1/2016	19/1/2019	3.347%	50,000,000
12.	Treasury Bonds	16/2/2016	21/1/2016	21/1/2019	3.421%	50,000,000
13.	Treasury Bonds	16/2/2016	26/1/2016	26/1/2021	3.989%	50,000,000
14.	Treasury Bonds	23/2/2016	4/2/2016	4/2/2021	Changeable	50,000,000
15.	Treasury Bills	23/2/2016	1/2/2016	1/8/2016	2.067%	50,000,000
16.	Treasury Bonds	1/3/2016	15/2/2016	15/2/2018	2.787%	50,000,000
17.	Treasury Bonds	15/3/2016	17/2/2016	17/2/2021	4.013%	75,000,000
18.	Treasury Bonds	15/3/2016	23/2/2016	23/2/2023	5.119%	75,000,000
19.	Treasury Bonds	15/3/2016	25/2/2016	25/2/2018	2.777%	100,000,000
20.	Treasury Bonds	15/3/2016	1/3/2016	1/3/2021	4.131%	75,000,000
21.	Treasury Bonds	15/3/2016	10/2/2016	10/2/2021	Changeable	50,000,000
22.	Treasury Bills	15/3/2016	3/3/2016	3/9/2016	2.000%	50,000,000
23.	Treasury Bills	15/3/2016	7/3/2016	7/3/2017	2.354%	150,000,000



24.	Treasury Bonds	5/4/2016	9/3/2016	9/3/2023	5.073%	100,000,000
25.	Treasury Bonds	6/4/2016	13/3/2016	13/3/2018	2.761%	150,000,000
26.	Treasury Bonds	7/4/2016	15/3/2016	15/3/2023	5.136%	150,000,000
27.	Treasury Bonds	8/4/2016	17/3/2016	17/3/2019	3.389%	50,000,000
28.	Treasury Bonds	19/4/2016	22/3/2016	22/3/2021	4.123%	50,000,000
29.	Treasury Bonds	20/4/2016	24/3/2016	24/3/2019	3.343%	75,000,000
30.	Treasury Bonds	21/4/2016	30/3/2016	30/3/2019	3.312%	50,000,000
31.	Treasury Bonds	8/5/2016	12/4/2016	12/4/2019	3.200%	150,000,000
32.	Treasury Bills	3/5/2016	6/4/2016	6/10/2016	1.998%	50,000,000
33.	Treasury Bonds	15/5/2016	14/4/2016	14/4/2021	4.000%	150,000,000
34.	Treasury Bills	22/5/2016	4/5/2016	4/11/2016	1.960%	50,000,000
35.	Treasury Bonds	22/5/2016	27/4/2016	27/4/2023	5.065%	75,000,000
36.	Treasury Bonds	22/5/2016	9/5/2016	9/5/2021	3.967%	50,000,000
37.	Water Authority Bonds	5/6/2016	12/5/2016	12/5/2021	3.970%	20,000,000
38.	Treasury Bonds	5/6/2016	16/5/2016	16/5/2023	5.470%	75,000,000
39.	Treasury Bonds	22/6/2016	26/5/2016	26/5/2019	3.189%	100,000,000
40.	Treasury Bonds	22/6/2016	1/6/2016	1/6/2023	5.047%	75,000,000
41.	Treasury Bonds	22/6/2016	7/6/2016	7/6/2019	3.146%	75,000,000
42.	Treasury Bonds	27/6/2016	12/6/2016	12/6/2021	3.970%	75,000,000
43.	Treasury Bonds	18/7/2016	22/6/2016	22/6/2018	3.970%	75,000,000
44.	Treasury Bonds	21/7/2016	3/7/2016	3/7/2019	3.162%	75,000,000
45.	Treasury Bonds	1/8/2016	12/7/2016	12/7/2021	3.974%	75,000,000
46.	Treasury Bonds	7/8/2016	3/7/2016	3/7/2021	4.250%	27,977,900
47.	Treasury Bills	7/8/2016	21/7/2016	21/7/2017	2.006%	50,000,000
48.	Treasury Bonds	7/8/2016	14/7/2016	14/7/2021	4.000%	75,000,000
49.	Treasury Bonds	7/8/2016	19/7/2016	19/7/2021	4.020%	60,000,000



50.	Treasury Bonds	7/8/2016	24/7/2016	24/7/2018	2.785%	65,000,000
51.	Treasury Bonds	15/8/2016	26/7/2016	26/7/2021	4.026%	50,000,000
52.	Treasury Bonds	4/9/2016	8/8/2016	8/8/2018	2.809%	50,000,000
53.	Water Authority Bonds/ accessible to be reopened	4/9/2016	14/8/2016	14/8/2019	3.184%	50,000,000
54.	Treasury Bills	4/9/2016	21/8/2016	21/2/2017	2.025%	50,000,000
55.	Treasury Bonds	5/10/2016	1/9/2016	1/9/2018	2.837%	100,000,000
56.	Treasury Bonds	5/10/2016	6/9/2016	6/9/2021	4.058%	100,000,000
57.	Treasury Bonds	5/10/2016	8/9/2016	8/9/2018	2.864%	50,000,000
58.	Treasury Bonds	5/10/2016	8/9/2016	8/9/2026	6.099%	50,000,000
59.	Treasury Bonds	26/10/2016	19/9/2016	19/9/2026	6.100%	75,000,000
60.	Treasury Bonds	26/10/2016	21/9/2016	21/9/2018	2.891%	50,000,000
61.	Treasury Bonds	26/10/2016	22/9/2016	22/9/2026	6.150%	100,000,000
62.	Treasury Bonds	26/10/2016	26/9/2016	26/9/2026	6.198%	100,000,000
63.	Treasury Bonds	26/10/2016	3/10/2016	3/10/2021	4.113%	50,000,000
64.	Treasury Bonds	26/10/2016	5/10/2016	5/10/2018	2.900%	50,000,000
65.	Treasury Bonds	26/10/2016	5/10/2016	5/10/2026	6.248%	60,000,000
66.	Treasury Bonds	26/10/2016	11/10/2016	11/10/2026	6.300%	100,000,000
67.	Treasury Bonds	26/10/2016	16/10/2016	16/10/2026	6.350%	100,000,000
68.	Treasury Bills	26/10/2016	21/9/2016	21/3/2017	2.055%	50,000,000
69.	Treasury Bills	26/10/2016	22/9/2016	22/12/2016	1.777%	150,000,000
70.	Treasury Bills	26/10/2016	28/9/2016	28/9/2017	2.462%	50,000,000
71.	Treasury Bills	26/10/2016	9/10/2016	9/12/2016	1.668%	150,000,000
72.	Treasury Bonds	2/11/2016	19/10/2016	19/10/2026	6.400%	175,000,000
73.	Treasury Bonds	2/11/2016	25/10/2016	25/10/2026	6.450%	150,000,000
74.	Treasury Bills	16/11/2016	31/10/2016	30/4/2017	2.048%	25,000,000



75.	Water Authority Bonds	16/11/2016	31/10/2016	31/10/2019	3.171%	20,000,000
76.	Water Authority Bonds	5/12/2016	10/11/2016	10/11/2026	6.484%	43,000,000
77.	Treasury Bonds/reopened	5/12/2016	14/8/2016	14/8/2019	3.137%	50,000,000
78.	Treasury Bills	5/12/2016	24/11/2016	24/5/2017	2.072%	50,000,000
79.	Treasury Bonds	5/12/2016	17/11/2016	17/11/2026	6.499%	150,000,000
80.	Treasury Bonds	18/12/2016	4/12/2016	4/12/2026	6.494%	100,000,000
81.	Treasury Bonds	26/12/2016	11/12/2016	11/12/2018	2.924%	100,000,000
82.	Treasury Bills	26/12/2017	11/12/2016	11/6/2017	2.080%	50,000,000
Total						6,070,977,900

Table (9)
Securities registered with the JSC issued or guaranteed by the
Government in foreign currencies in 2016

No.	Company	Registration date	Issuing date	Maturity date	Interest rate	Nominal value (USD)	Nominal value (JD)
1.	Treasury Bonds	5/1/2016	25/1/2015	25/11/2018	2.974%	500,000,000	354,000,000
2.	Treasury Bonds	5/1/2016	6/12/2015	6/12/2020	3.617%	650,000,000	460,200,000
Total						1,150,000,000	814,200,000



Annex B: Tables of violations committed and their types, and measures taken against violators in 2016

Table (1)

Financial services companies that violated Margin Financing Instructions in relation to the amount of Initial Margin

No.	Violating Company	Measures Taken
1.	Bilad Capital	-Warning - Recorded in JSC Records
2.	Sabaek for Financial Services	-Warning - Recorded in JSC Records



Table (2)

Financial services companies that violated Margin Financing Instructions in relation of the amount of margin maintenance

No.	Violating Company	Measures Taken
1.	Elite Financial Services*	-Warning - Recorded in JSC records.
2.	Delta Financial Investments	-Warning - Recorded in JSC records.
3.	Bilad Capital**	-Warning - Recorded in JSC records.
4.	Al-Mawared Brokerage***	-Warning - Recorded in JSC records.
5.	Jordanian Expatriates for Financial Brokerage	-Warning - Recorded in JSC records.
6.	Global Investment House	-Warning - Recorded in JSC records.
7.	Al Amal Financial Investments****	-Warning - Recorded in JSC records.
8.	Capital Invest	-Warning - Recorded in JSC records.
9.	Mubadala Financial Services	-Warning - Recorded in JSC records.

*The violation was repeated once.

**The violation was repeated twice.

***The violation was repeated three times.

****The violation was repeated four times.



Table (3)

The financial services company that violated the Instructions of Financial Services Licensing and Registration with regard to the decrease of the net owner equity to the paid-in capital

No.	Violating company	Measures taken
1.	Al Wameed For Financial & Investment Services Co.	-Suspend the company`s business and allow the sale of receivables only

Table (4)

Financial services companies of that violated the Law and Instructions with regard to the separating of the brokers' funds from those of their clients

No.	Violating company	Measures taken
1.	Rumm Financial Brokerage	-Warning - Recorded in JSC`S Records
2.	Al Eman Investments Co.	-Warning - Recorded in JSC`S Records
3.	First for Financial Investment Co.	-Warning - Recorded in JSC`S Records
4.	Mubadala for Financial Investment	-Warning - Recorded in JSC`S Records
5.	Jordan Gulf Investment	-Warning - Recorded in JSC`S Records
6.	Al Wameed for Financial & Investment Services Co.	-Warning - Recorded in JSC`S Records



Table (5)

Financial services company that violated the Instructions of the Trades of the Companies' Boards of Directors, Employees, and Related parties

No.	Violating company	Measures taken
1.	Jordan Saudi Emirates Financial Investment	-Warning - Recorded in JSC'S Records

Table (6)

Financial Services Company that failed to activate the role of the compliance officer registered with the JSC

No.	Violating company	Measures taken
1.	Jordan Gulf Investment	-Warning - Recorded in JSC'S Records

Table (7)

Financial services company that violated the Licensing and Registration Instructions with regard to the failure in certain areas in their internal control system

No.	Violating company	Measures taken
1.	Jordan Gulf Investment	-Warning - Recorded in JSC'S Records



Table (8)

Financial services companies that violated the Law with regard to the accounting book keeping in accordance with the accredited accounting standards

No.	Violating company	Measures taken
1.	Arab Swiss Financial Investment	-Warning - Recorded in JSC'S Records
2.	Mubadala for Financial Investment	-A fine - Recorded in JSC'S Records
3.	Jordan Gulf Investment	- A fine - Recorded in JSC'S Records

Table (9)

Financial services companies that violated the decisions of the Board of Commissioners with regard to trading in cash

No.	Violating company	Measures taken
1.	Arab Swiss Financial Investment	-Warning - Recorded in JSC'S Records
2.	Rumm Financial Brokerage	-Warning - Recorded in JSC'S Records
3.	Al Yasmeen for Securities & Investment	-Warning - Recorded in JSC'S Records



Table (10)

The registered person who violated the Securities Trading Directives

No.	Violating company	Measures taken
1.	Laith Abdellateef Al-Azzeh	-Warning - Recorded in JSC`S Records

Table (11)

Issuing companies that failed to submit to the JSC their preliminary results within the specific period

No.	Violating company	Measures taken
1.	Jordan Press & Publishing Co. Addustour	-Warning - Recorded in JSC`S Records
2.	Al Ahlia Enterprises	-Warning - Recorded in JSC`S Records
3.	United Arab Investors	-Warning - Recorded in JSC`S Records
4.	Al-Barakat Investment Group	-Warning - Recorded in JSC`S Records
5.	Arab Real Estate Development Company	-Warning - Recorded in JSC`S Records
6.	The Investors & Eastern Arab for Industrial & Real Estate Investments	-Warning - Recorded in JSC`S Records
7	Beit Al Mal Saving & Investment for Housing	-Warning - Recorded in JSC`S Records



8	Amwal Invest	-Warning - Recorded in JSC`S Records
9	Awtad for Diversified Investments	-Warning - Recorded in JSC`S Records
10	Al Jameel For Investment	-Warning - Recorded in JSC`S Records
11	Darwish Al-Khalili & Son	-Warning - Recorded in JSC`S Records
12	Inwan Investment	-Warning - Recorded in JSC`S Records
13	United Group Holdings	-Warning - Recorded in JSC`S Records
14	Amana Agricultural and Industrial Co.	-Warning - Recorded in JSC`S Records
15	First National Vegetable Oil Industries Co.	-Warning - Recorded in JSC`S Records
16	Afia Oil Company	-Warning - Recorded in JSC`S Records
17	General Investment Co.	- A Fine - Recorded in JSC`S Records
18	The Consulting & Investment Group Co.	- A Fine - Recorded in JSC`S Records
19	El-Zay Ready Wear Manufacturing Co.	- A Fine - Recorded in JSC`S Records



20	Euro Arab Insurance Group	- A Fine - Recorded in JSC'S Records
21	Jordan Petroleum Refinery Co.	- A Fine - Recorded in JSC'S Records
22	International Ceramic Industries	- Recorded in JSC'S Records
23	Capital Bank of Jordan	-Warning
24	Jordan Projects For Tourism Development	-Warning

Table (12)

Issuing companies that failed to submit to the JSC their annual reports within the specified period

No.	Violating company	Measures taken
1.	Al-Ahlia Enterprises Plc	-Warning - Recorded in JSC'S Records
2.	Amwal Invest	-Warning - Recorded in JSC'S Records
3.	Awtad For Diversified Investments	-Warning - Recorded in JSC'S Records
4.	First National Vegetable Oil Industries Co	-Warning - Recorded in JSC'S Records



5.	United Arab Investors	-Warning - Recorded in JSC'S Records
6.	Al-Barakat Investment Group	-Warning - Recorded in JSC'S Records
7.	Arab Real Estate Development Company	-Warning - Recorded in JSC'S Records
8.	The Investors& Eastern Arab For Industrial& Real Estate Investments	-Warning - Recorded in JSC'S Records
9.	Beit Al Mal Saving& Investment For Housing	-Warning - Recorded in JSC'S Records
10.	Al Jameel For Investment	-Warning - Recorded in JSC'S Records
11.	Darwish Al-Khalili & Son	-Warning - Recorded in JSC'S Records
12.	Inwan Investment	-Warning - Recorded in JSC'S Records
13.	United Group Holdings	-Warning - Recorded in JSC'S Records
14.	Aman For Securities	-Warning - Recorded in JSC'S Records
15.	Middle East Complex For Eng. Electronics & Heavy industries plc	-Warning - Recorded in JSC'S Records
16.	United Integrated Textile Group Company	-Warning - Recorded in JSC'S Records
17.	Amana Agricultural and Industrial Co.	-Warning



		- Recorded in JSC`S Records
18.	Jordan Press & Publishing Co. Addustour	-Warning - Recorded in JSC`S Records
19.	Electricity Distribution Company	-Warning - Recorded in JSC`S Records
20.	Afia Oil Company	-Warning - Recorded in JSC`S Records
21.	Al Kindi Company for Pharmaceutical Industries	-Warning - Recorded in JSC`S Records
22.	Jordan Kuwait Bank	- A Fine - Recorded in JSC`S Records
23.	Jordan Commercial Bank	- A Fine - Recorded in JSC`S Records
24.	Bank Al-Itihad	- A Fine - Recorded in JSC`S Records
25.	Capital Bank of Jordan	- A Fine - Recorded in JSC`S Records
26.	Jordan Insurance Company	- A Fine - Recorded in JSC`S Records
27.	Middle East Insurance Company	- A Fine - Recorded in JSC`S Records
28.	Jordan Emirates Insurance Company	- A Fine - Recorded in JSC`S Records
29.	Philadelphia Insurance Co.	- A Fine - Recorded in JSC`S Records



30.	Euro Arab Insurance Group	- A Fine - Recorded in JSC'S Records
31.	Jordan National Shipping Lines	- A Fine - Recorded in JSC'S Records
32.	Arab East Investment	- A Fine - Recorded in JSC'S Records
33.	Transport and Investment Barter	- A Fine - Recorded in JSC'S Records
34.	Jordan Projects for Tourism Development	- A Fine - Recorded in JSC'S Records
35.	Bindar Trading & Investment Co.	- A Fine - Recorded in JSC'S Records
36.	Dimensions Jordan and Emirates Commercial	- A Fine - Recorded in JSC'S Records
37.	Model Restaurants	- A Fine - Recorded in JSC'S Records
38.	SURA Development and Investment	- A Fine - Recorded in JSC'S Records
39.	Darkom Investment	- A Fine - Recorded in JSC'S Records
40.	Ad-Dulayl Industrial Park Company	- A Fine - Recorded in JSC'S Records



	And Real Estate	Records
41.	Jordan Paper And Cardboard Factories Company	- A Fine - Recorded in JSC'S Records
42.	Jordan Phosphate Mines	- A Fine - Recorded in JSC'S Records
43.	Intermediate Petrochemical Industries	- A Fine - Recorded in JSC'S Records
44.	Al-Qaria Food and Vegetable Oil Industries	- A Fine - Recorded in JSC'S Records
45.	Comprehensive Multiple Project Company	- A Fine - Recorded in JSC'S Records
46.	Hayat Pharmaceutical Industries Co.	- A Fine - Recorded in JSC'S Records
47.	United Iron & Steel Mfg. Co.	- A Fine - Recorded in JSC'S Records

Table (13)

Issuing companies that failed to submit to the JSC their semi- annual reports within the specified period

No.	Violating Company	Measures taken
1	Jordan Dubai Islamic Bank	-A Fine -Recorded in JSC



		Records
2	Jordan Paper& Cardboard Factories	-A Fine -Recorded in JSC Records
3	Jordan Phosphate Mines	-A Fine -Recorded in JSC Records
4	Al-Bilad Medical Services	-A Fine -Recorded in JSC Records
5	Al-Ahlia Enterprises	-Warning - Recorded in JSC Records
6	United Arab Investors	-Warning - Recorded in JSC Records
7	Al-Barakat Investment Group	-Warning - Recorded in JSC Records
8	Arab Real Estate Development	-Warning - Recorded in JSC Records
9	Electricity Distribution	-Warning - Recorded in JSC Records
10	The Investors& Eastern Arab For Industrial & Real Estate Investments	-Warning - Recorded in JSC



		Records
11	Beit Al Mal Saving& Investment for Housing	-Warning - Recorded in JSC Records
12	Awtad for Diversified Investments	-Warning - Recorded in JSC Records
13	Al Jamil for General Investments	-Warning - Recorded in JSC Records
14	Darwish Al- Khalili & Sons	-Warning - Recorded in JSC Records
15	Inwan Investment	-Warning - Recorded in JSC Records
16	United Group Holding	-Warning - Recorded in JSC Records
17	Aman For Securities	-Warning - Recorded in JSC Records
18	Middle East Complex for Engineering , Electronics & Heavy Industries	-Warning - Recorded in JSC Records
19	United Integrated for Multiple	-Warning



	Industries	- Recorded in JSC Records
20	Amana Agricultural& Industrial Investment	-Warning - Recorded in JSC Records
21	Alkindi Pharmaceutical	-Warning - Recorded in JSC Records
22	Universal modern Industries For Edible Oil	-Warning - Recorded in JSC Records
23	Afia International -Jordan	-Warning - Recorded in JSC Records
24	Jordan Press& Publishing Co./ Addustour	-Warning - Recorded in JSC Records

Table (14)

Issuing companies that violated Disclosure Instructions by failing to include certain items in their annual reports

No.	Violating Company	Measures taken
1	Arab Union International Insurance	-Warning - Recorded in JSC Records
2	National Poultry	-Warning - Recorded in JSC



		Records
3	Hayat Pharmaceutical Industries	-Warning - Recorded in JSC Records
4	Jordan Marble	-Warning - Recorded in JSC Records
5	United Cable Industries	-Warning - Recorded in JSC Records
6	Oftic Holding Group	-Warning - Recorded in JSC Records
7	Al-Ekbal Printing& Packing	-Warning - Recorded in JSC Records
8	Tameer Jordan Holdings	-Warning - Recorded in JSC Records
9	Jordanian Co. for Developing& Financial Investment	-Warning - Recorded in JSC Records
10	The Industrial Commercial& Agricultural	-Warning - Recorded in JSC Records
11	Jordan Phosphate Mines	-Warning - Recorded in JSC



		Records
12	Al- kindi Pharmaceutical Manufacturing	-Warning - Recorded in JSC Records
13	Mediterranean Tourism Investment	-Warning - Recorded in JSC Records
14	Amwaj Properties	-Warning - Recorded in JSC Records
15	Cairo Amman Bank	-Warning - Recorded in JSC Records
16	United Insurance	-Warning - Recorded in JSC Records
17	Ad-Dulayl Industrial Park& Real Estate	-Warning - Recorded in JSC Records
18	Jordan Petroleum Refinery	-Warning - Recorded in JSC Records
19	Jordan Poultry Processing& Marketing	-Warning - Recorded in JSC Records
20	National Steel Industry	-Warning - Recorded in JSC



		Records
21	National Cable& Wire Manufacturing	-Warning - Recorded in JSC Records
22	Societe General De Banque	-A Fine -Recorded in JSC Records
23	Northern Cement	-A Fine -Recorded in JSC Records
24	Arabian Aviation Investment	-A Fine -Recorded in JSC Records
25	Arab Aluminum Industry	-A Fine -Recorded in JSC Records
26	International Brokerage &Financial Markets	-A Fine -Recorded in JSC Records
27	Premier Business& Projects	-A Fine -Recorded in JSC Records
28	Pearl Sanitary Paper Converting	-A Fine -Recorded in JSC Records
29	Al-Roaya for Investment	-A Fine -Recorded in JSC



		Records
30	Union Tobacco & Cigarette Industries	-A Fine -Recorded in JSC Records
31	Philadelphia Pharmaceuticals	-A Fine -Recorded in JSC Records
32	Middle East Insurance	-A Fine -Recorded in JSC Records
33	Jordan Commercial Bank	-A Fine -Recorded in JSC Records
34	Jordan Ahli Bank	-A Fine -Recorded in JSC Records
35	Bank of Jordan	-A Fine -Recorded in JSC Records
36	The Housing Bank For Trade & Finance	-A Fine -Recorded in JSC Records
37	Jordan Dubai Islamic Bank	-A Fine -Recorded in JSC Records
38	Al-Manara Insurance	-A Fine -Recorded in JSC



		Records
39	Holy Land Insurance	-A Fine -Recorded in JSC Records
40	The Islamic Insurance	-A Fine -Recorded in JSC Records
41	The Mediterrian & Gulf Insurance	-A Fine -Recorded in JSC Records
42	First Insurance	-A Fine -Recorded in JSC Records
43	Jordan Decapolis Properties	-A Fine -Recorded in JSC Records
44	Union Land Development	-A Fine -Recorded in JSC Records
45	Jordan Press& Publishing Co./ Addustour	-A Fine -Recorded in JSC Records
46	Unified Transport& Logistics	-A Fine -Recorded in JSC Records
47	Trust International Transport	-A Fine -Recorded in JSC



		Records
48	Jordanian Real Estate For Development	Ordered to comply with the Law, instructions and decisions of the JSC.
49	Emmar Investments & Real Estate Development	Ordered to comply with the Law, instructions and decisions of the JSC.
50	Al-Amal Financial Investment	Ordered to comply with the Law, instructions and decisions of the JSC.
51	Masafat for Specialized Transportation	Ordered to comply with the Law, instructions and decisions of the JSC.
52	Zahrat Alurdon for Real Estate & Hotel Investment	Ordered to comply with the Law, instructions and decisions of the JSC.
53	Palaces Real- Estate& Development	Ordered to comply with the Law, instructions and decisions of the JSC.
54	Jordan International Investment	Ordered to comply with the Law, instructions and decisions of the JSC.
55	Deera Investment& Real Estate Deveolpment	Ordered to comply with the Law, instructions and



		decisions of the JSC.
56	Babelon Investment	Ordered to comply with the Law, instructions and decisions of the JSC.
57	Al- Arabia For Investment Projects	Ordered to comply with the Law, instructions and decisions of the JSC.
58	Comprehensive Leasing	Ordered to comply with the Law, instructions and decisions of the JSC.
59	Al-Mehania for Real Estate Investment& Housing	Ordered to comply with the Law, instructions and decisions of the JSC.
60	Al –Israa for Islamic Finance & Investment	Ordered to comply with the Law, instructions and decisions of the JSC.
61	Sura Devoplment& Investment	Ordered to comply with the Law, instructions and decisions of the JSC.
62	Shira' Real Estate Development& Investment	Ordered to comply with the Law, instructions and decisions of the JSC.
63	Alentaqieh for Investment& Real Estate Development	Ordered to comply with the Law, instructions and



		decisions of the JSC.
64	Darkom Investment	Ordered to comply with the Law, instructions and decisions of the JSC.
65	Dar Al Dawa Development & Investment	Ordered to comply with the Law, instructions and decisions of the JSC.
66	The Jordan Worsted Mills	Ordered to comply with the Law, instructions and decisions of the JSC.
67	Akary for Industries& Real Estate Investments	Ordered to comply with the Law, instructions and decisions of the JSC.
68	Jordan Wood Industries/Jwico	Ordered to comply with the Law, instructions and decisions of the JSC.
69	Universal Modern Industries for Edible Oil	Ordered to comply with the Law, instructions and decisions of the JSC.
70	United Integrated for Multiple Industries & Public Investments	Ordered to comply with the Law, instructions and decisions of the JSC.
71	International Silica Company	Ordered to comply with the Law, instructions and



		decisions of the JSC.
72	Travertine	Ordered to comply with the Law, instructions and decisions of the JSC.
73	International Company for Medical Investments	Ordered to comply with the Law, instructions and decisions of the JSC.
74	United Iron& Steel Manufacturing	Ordered to comply with the Law, instructions and decisions of the JSC.

Table (15)

Issuing companies that failed to notify the JSC within the legal period of information related to their upper management upon appointment or when leaving their jobs

No.	Violating Company	Measures
1	National Portfolio Securities	-A Fine -Recorded in JSC Records
2	Al-Bilad Medical Services	-A Fine -Recorded in JSC Records
3	Jordan Investment& Tourism Transport	-A Fine -Recorded in JSC Records



4	Specialized Investment Compounds	-Warning - Recorded in JSC Records
5	The Royal Jordanian Airlines- Alia	-A Fine -Recorded in JSC Records
6	Jordan Projects For Tourism Development ^(*)	-A Fine -Recorded in JSC Records
7	Electricity Distribution	-Warning - Recorded in JSC Records
8	Middle East Specialized Cables Company	-A Fine -Recorded in JSC Records
9	Methaq Real Estate Investment	-A Fine -Recorded in JSC Records
10	Ubour Logistic Services	-Warning - Recorded in JSC Records
11	Jordan Emirates Insurance	-A Fine -Recorded in JSC Records
12	Zara Investment (Holding)	-A Fine -Recorded in JSC Records

(*) The violation was repeated more than once.



13	Ihdathiat Real Estate	-A Fine -Recorded in JSC Records
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Table (16)

**Companies that failed to comply with the Instructions of Auditors
Registration**

No.	Violating Company	Measures Taken
1.	Nopar for Trading and Investment	- Warning - Recorded in JSC Records
2.	Amwal Invest	- Warning - Recorded in JSC Records
3.	Palaces Real-Estate & Development	- Warning - Recorded in JSC Records
4.	Jordan Press & Publishing	- Warning - Recorded in JSC Records
5.	The Financial Investment Co. for Shares & Bonds	- Warning - Recorded in JSC Records



Table (17)

**Audit firms that failed to comply with Instructions of the Auditors
Registration**

No.	Violating Company	Measures Taken
1.	Deloitte & Touché	- Warning - Recorded in JSC Records
2.	Saba & Co.	- Warning - Recorded in JSC Records

Table (18)

**Financial Brokerage companies that failed to comply with the Trading
Directives by behaving in a manner that gives a misleading and
incorrect impression of the price, and volume of trading of securities**

No.	Violating Company	Measures Taken
1.	Excel for Financial Investment	- A Fine - Recorded in JSC Records
2.	Blom Bank	- Warning - Recorded in JSC Records
3.	Al Amal Financial Investments	- Warning - Recorded in JSC Records
4.	Shareco Brokerage	- A Fine



		- Recorded in JSC Records
5.	Mubadala Finacial Services	- Warning - Recorded in JSC Records
6.	Delta Financial Investments Co.	- A Fine - Recorded in JSC Records
7.	International Financial Advisors	-Notice of Hearing Statements
8.	Jordan Expatriates for Financial Brokerage	- Warning - Recorded in JSC Records
9.	International Financial Center	-Notice of Hearing Statements
10.	United Financial Investments	- A Fine - Recorded in JSC Records
11.	Misc Financial Brokerage	- Warning - Recorded in JSC Records
12.	Sabaek for Financial Services	- Warning - Recorded in JSC Records
13.	Umniah for Financial Investments	-Notice of Hearing Statements

Table (19)

Financial brokerage company that failed to comply with Licensing Instructions through conducting buying and selling transactions without having signed authorizations from the clients

No.	Violating Company	Measures Taken
1.	International Brokerage and Financial Markets	- A Fine - Recorded in JSC Records



Table (20)

Parties that committed violations by influencing trading in securities

No.	Violating Company	Measures Taken
1.	Jack Naqoula Ya'koub Kattan	- Warning - Recorded in JSC Records
2.	Gheid Ghanem Abd-AlJaleel and Co.	- Warning - Recorded in JSC Records
3.	Suzan Fareed Muhammed Taha	- Warning - Recorded in JSC Records
4.	Khaleefeh Mahmoud Hasan Okour	- A Fine - Recorded in JSC Records
5.	Khaled Hafez Bader Bader	-Notice of Hearing Statements
6.	Mu'tasem Abd.AlRahman Muhammed Al.Akhras	- Warning - Recorded in JSC Records
7.	Kamel Abd.AlGhafer Muhammed Raslan	- A Fine - Recorded in JSC Records
8.	Khaledah Abdullah Muhammed Al.Haj Khader	- A Fine - Recorded in JSC Records
9.	Muhammed Abd.AlGhani Darweesh AlAmad	- A Fine - Recorded in JSC Records



10.	Saving Fund of Jordan Insurance	- Warning - Recorded in JSC Records
11.	Muhammed Fayez Abdullah Hasan	- Warning - Recorded in JSC Records
12.	United Insurance	- Warning - Recorded in JSC Records
13.	Hani Muhammed Essa Abu-Rahmeh	-Notice of Hearing Statements

Table (21)

Parties that violated the Law by influencing trading in securities and practicing deceitful and misleading acts

No.	Violating Company	Measures Taken
1.	Ali Hussein Ali Al.Sadah	- A Fine - Recorded in JSC Records
2.	Lu'ay Emeel Azar Azar	- A Fine -Recorded in JSC Records
3.	Fadel Jasem Muhammed	- A Fine -Recorded in JSC Records
4.	Ammeh Nabeel Abdullah Kan'an	-Notice of Hearing Statements
5.	Muhammed Emad Nihad Darwazeh	- A Fine -Recorded in JSC Records
6.	Safa' Tawfeeq Alak Al-Buhlal	- A Fine -Recorded in JSC Records
7.	Al Bustan Industries & Agricultural Co.	- A Fine -Recorded in JSC Records



8.	Larsa for Tourism and Real Estate Investments	- A Fine -Recorded in JSC Records
9.	Al.Sahar for Ta'meer and Iskan	- A Fine -Recorded in JSC Records
10.	Shams Fadel Jasem Al-Dabbas	- A Fine -Recorded in JSC Records
11.	Tabarak Fadel Jasem Al-Dabbas	- A Fine -Recorded in JSC Records
12.	Hiba Fadel Jasem Jasem	- A Fine -Recorded in JSC Records

Table (22)

The person who committed a violation by disposal of securities before executing the inheritance transfer transaction

No.	Violating person	Measures Taken
1.	Manh Fu'ad Hafez Tarazi	- A Fine - Recorded in JSC Records

Table (23)

Licensed and registered persons that violated the Law by misusing clients or shareholders' funds including abusing and/or practicing misleading and deceitful acts

No.	Violating Company	Measures Taken
1.	International Brokerage and Financial Markets	-Notice of Hearing Statements
2.	Raja' Khalil Ibrahim Al-Alami	- A Fine -Recorded in JSC Records
3.	Makram Khalil Ibrahim Al.Alami	-A Fine -Recorded in JSC Records



4.	Lu'ay Subhi Naji Himran	- Warning - Recorded in JSC Records
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Table (24)

The issuing company that violated the Instructions of Shares-Buyback by Public Shareholding Companies (Treasury Stocks)

No.	Violating Company	Measures
1.	United Financial Investments*	- A Fine - Recorded in JSC Records

* violation was repeated more than once.

Table (25)

The financial services company that violated the Law and Trading Directives by practicing misleading and deceitful acts, and behaving in a manner to create a misleading impression regarding the price, or volume of trading of securities

No.	Violating Company	Measures
1.	Delta Financial Investments	- A Fine - Recorded in JSC Records

Table (26)

The companies that violated the Law by practicing misleading acts relating to securities

No.	Violating Company	Measures
1.	Dar Al.Khayal for Trade Services	-A Fine -Recorded in JSC Records
2.	International Portfolio	-A Fine -Recorded in JSC Records