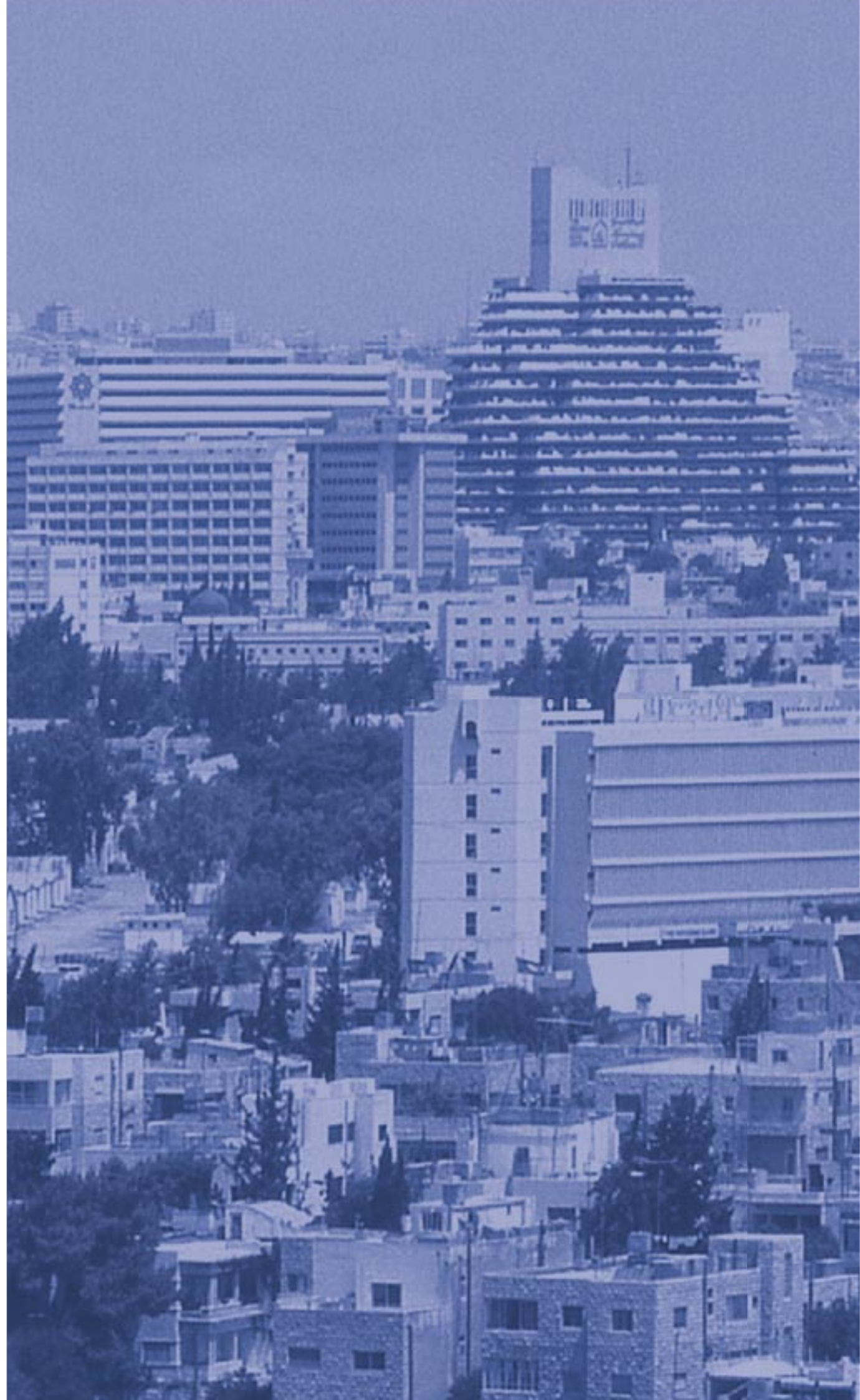




2004

rule of law
Security
EFFICIENCY
Trust





Jordan Securities Commission
Annual Report 2004



His Majesty King Abdullah II bin Al-Hussein



“An administration capable of achieving objectives at lower cost and in less time is a judicious administration that is based on establishing specialized and effective institutions, which work as a team, headed by upright and efficient administrative leaderships that put the public interest before any other consideration, that are characterized by fairness, initiative, and creativity, that concentrate on fieldwork, and confront problems before they even occur, or when they are easier to handle, and that distance themselves from deviation, frivolity, exploitation, and favouritism. Public administration needs to be re-structured so as to prevent overlap, conflict, and duplication, and to select leaderships and staff on basis of efficiency, experience, and integrity, without favouritism, clique-formation or fanaticism to any aim or party.”

March 4,1999

Board of Commissioners of the Jordan Securities Commission

Dr. Bassam Khalil Saket	Executive Chairman
Dr. Ahmad Hasan Mustafa*	Deputy Chairman
Mr. Mohamed Abdul-Kader Tash	Commissioner
Mr. Bassam Jamal Asfour	Commissioner
Dr. Abderrazaq Hussein Bani Hani	Commissioner

* As of 12 / 10 / 2004, replacing Dr. Tayseer Abdel Jaber



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Chairman's Remarks

IOSCO Annual Conference in Amman

I am deeply honoured to express to His Majesty King Abdullah II bin Al-Hussein, in my own name and on behalf of my colleagues, members of the Board of Commissioners of the Jordan Securities Commission (JSC), our utmost loyalty and gratitude, for his support for the JSC as an independent supervisory institution over the capital market, which boosts our determination to contribute to the realisation of the objectives that His Majesty aspires to achieve, in bringing progress and prosperity to our beloved country. The JSC also presents its most sincere gratitude to His Majesty for graciously bestowing his patronage upon the 29th Annual Conference of the International Organization of Securities Commissions (IOSCO), as a sign of His Majesty's appreciation of the importance of supervision and the international organizations that undertake this task.

IOSCO held this Conference in May in Amman, bringing together more than 500 representatives of regulatory commissions and international organizations from 120 countries. The Conference, which was held for the first time in an Arab country, was a sign of appreciation for Jordan, for its stability, good reputation, and respect for the rule of the law. It was also a sign of appreciation for the JSC and its active role in IOSCO ⁽¹⁾.

Legislation

In line with its efforts to enhance the JSC's supervisory and regulatory role in the national capital market, and in order to achieve its goals, notably protecting investors in securities and upgrading the market to ensure efficiency, fairness, and transparency, a number of regulations were issued in 2004 that regulate various activities in the market. Instructions of Issuing Companies Disclosure and Accounting and Auditing Standards were issued with the aim to reinforce the legislative and supervisory framework of disclosure of necessary information for investors to take their investment decisions. The Instructions contain greater specification of information required from companies issuing securities, the timing of disclosure, and a definition of responsibilities, nature of work, and powers of the auditing committee of companies issuing securities. The Instructions obliged issuing companies to prepare their financial data in accordance with international accounting and auditing standards. Also, the JSC issued the Instructions on Investigations of Violations of the Provisions of the Securities Law. These Instructions specified the procedures of investigation of these violations and the authorities of the Board of Commissioners and investigation committees and other procedural matters related to the investigation sessions and minutes. Moreover, and in order to enhance the investors protection and to raise the level of financial services provided in the market, the legislation that governs these services was developed by introducing a new draft of instructions for licensing financial services and the capital market registered persons.

In addition, the JSC's Board of Commissioners approved a number of legislations related to the Amman Stock Exchange (ASE) and the Securities Depository Centre (SDC), notably the ASE Disclosure Instructions, Securities Trading Instructions, Listing Securities Instructions, the ASE Fees, Charges and Commissions Internal By-Law, Dispute Resolution Instructions, ASE Internal By-Law, ASE Administrative Internal By-Law, Financial By-Law, Supplies By-Law, Registration and Settlement of Securities Instructions, SDC Membership By-Law, SDC Proceeds By-Law, SDC Members Code of Conduct, Settlement Guarantee Fund By-Law, and the SDC Financial By-Law.

Jordan Securities Commission is a supervisory government institution whose aim is to protect investors in securities, regulate and develop the capital market, and to monitor trading in shares, bonds, and other securities.

⁽¹⁾ The JSC is an elected member of the IOSCO Executive Committee and Vice Chairman of the IOSCO's Emerging Markets Committee and a member of the Africa and Middle East Regional Committee.



Licensing Financial Services

The JSC granted seven companies licenses to perform the activities of financial broker, broker dealer, margin financing, financial consultations, and investment management. In addition, 49 licenses of registration were issued to 48 natural persons to practice the activities of financial broker, investment manager, financial advisor, and investment trustee.

Supervision

In order to enhance investors protection in the national capital market and to maintain a healthy investment environment in this market, the JSC has monitored the compliance of the parties subject to its supervision, and took the appropriate actions against violators. 464 violations were recorded, 362 of which were rectified by the violating parties who fulfilled what was required from them. The JSC continues to take actions against violators in implementation of the law.

Arab and International Cooperation

The JSC continually reinforces its role on the Arab and international levels through cooperation and exchange of information and expertise with Arab and international organizations, most important of which is IOSCO, the Union of Arab Stock Exchanges and other regulatory Arab and international counterparts. The JSC received a number of official delegations from these organizations and took part in a number of Arab and international activities. A memorandum of understanding (MoU) was signed with the Egyptian Capital Market Authority (CMA) and the JSC received a commemorative shield from Egyptian Prime Minister Dr. Atef Obaid, as a sign of appreciation from the CMA for the JSC's efforts in enhancing the investor protection and to develop the national capital market and its institutions in line with international standards.

In addition, draft MoUs were prepared, with a number of Arab and international commissions and capital market organizations in Palestine, Oman, Poland, Ukraine, Pakistan, and Romania. These drafts were negotiated with the parties concerned in preparation for future signature. All within the framework of exchanging information and know-how, to serve the market and enhance confidence in it.

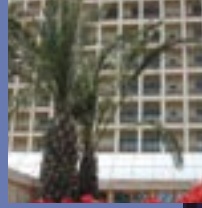
Stock Market Performance

In spite of the prevailing circumstances in the Arab region, the ASE recorded positive performance indicators. The General Shares Price Index rose by 62% compared with 2003, and the volume of trading reached JD3.8 billion, an increase of 106%. The market capitalization of listed companies rose by 68%, to reach JD 13 billion, constituting 185% of the GDP. This reflects the relative weight of the capital market in the national economy.

Regulatory, supervisory, and development procedures have contributed to deepening confidence in the market, with the result that non-Jordanian contributions in market capitalization of listed companies rose to 41.3% compared to 39% in 2003.

One of the most important indicators that reflect the increase of international confidence in Jordan's economy and Jordan's capital market in particular, is that the Jordanian capital market has advanced to the tenth rank on the emerging markets list, which includes 27 countries according to the special report prepared by Wilshire Associates for the California Public Employees Retirement System (CalPERS), a major American investment fund that manages approximately US\$ 168 billion. The CalPERS report is a renewed sign of confidence in Jordan's national market that enhances and attracts investment.

The JSC protects investors through procedures, most important of which are the enactment of legislation to regulate the market, enhance transparency and disclosure; and through providing the necessary information to investors, license the financial services necessary, ensure implementation of the law, implement international standards in the market, monitor trading on a daily basis, receive complaints from the public, and take appropriate measures against violators.



Corporate Governance

In line with its belief in the importance of the implementation of corporate governance principles, the JSC's acted, in cooperation with capital market institutions, to develop the basis and standards for implementing the international principles of corporate governance issued by the Organization of Economic Cooperation and Development (OECD), to regulate the related activities of companies registered with the JSC and listed on the ASE. This follows the request by the JSC to the World Bank to carry out a national survey to evaluate the extent of implementation of corporate governance in Jordan and related legislations. The resultant report included results and recommendations, the most important of which was that the capital market legislation, particularly the Securities Law placed Jordan at a rank above the international compliance level with regard to corporate governance. The report has also made recommendations for development and modernization ⁽¹⁾.

Foreign Investment Promotion Strategy

A special committee, headed by the JSC Chairman, prepared a long-term strategy ⁽²⁾ aiming to define future outlook for the development of the capital market and its legislation, reinforce supervision over it, and enhance its efficiency, transparency, and fairness, in order to deepen confidence in the market, raise its competitiveness and attractiveness to local and international investment. The objective of unification of regulatory bodies in the financial sector emerged clearly in the Strategy document, taking into consideration the status quo, practical experience, and international trends in this domain ⁽³⁾. The Council of Ministers approved this Strategy on 10/8/2004 ⁽⁴⁾.

2004 was full of positive achievements that were accompanied by challenges, particularly in establishing and deepening the culture of disclosure among the administrations of public shareholding companies that are subject to the JSC's supervision. In spite of the progress made in appreciating the importance of disclosure, a number of corporate administrations still fall in violation by non-disclosing information in the specified dates. The JSC calls upon the administrations of companies to deepen their knowledge of the Law and regulations that govern this domain, in order to enhance the confidence of others in them, and to avoid violations that are now recorded in the company's professional record that is kept by the JSC, and that are observed by local and international investors.

In conclusion, I would like to thank my colleagues on the Board of Commissioners of the JSC, and all the JSC's staff for their generous and continuous collective and individual efforts and their team spirit, which will continue, God willing, with diligence and determination, to achieve the objectives of the JSC, upgrade the national capital market, and make a contribution to the realization of the higher national goals that are a trust for us to bear in faith and with resolve, in fulfilment of the responsibility entrusted to us by the Law, and in keeping with the message of the nation and the message of our leader, His Majesty the progressive King Abdullah II bin Al-Hussein, may God grant him success in uplifting this nation and its citizens, and in assisting our Arab brothers.

May God protect our precious Jordan
and protect our beloved King Abdullah II bin Al-Hussein.

Executive Chairman
Dr. Bassam Saket

⁽¹⁾ The JSC is an elected member of the IOSCO Executive Committee and Vice Chairman of the IOSCO's Emerging Markets Committee and a member of the Africa and Middle East Regional Committee.

⁽²⁾ The JSC has published the full report on its website www.jsc.gov.jo in order to make the information accessible to local and international investors

⁽³⁾ The committee was formed by a decision of the Prime Minister on 30 / 12 / 2003, headed by the JSC Chairman, and comprising the Deputy Chairman, the Director-General of the Jordan Investment Board, the CEO of the Amman Stock Exchange, the CEO of the Securities Depository Centre, and the Chairman of the Association of Capital Market Registered Persons.

⁽⁴⁾ Countries that implement this model include Britain, Australia, Austria, Finland, Germany, Hungary, Indonesia, Ireland, South Korea, South Africa, Malta, and Holland.

The Council of Ministers approved the strategy upon the recommendation of the Ministerial Development Committee. The decision was issued on 10 / 8 / 2004.

Jordan Securities Commission

Legal Status

The Jordan Securities Commission (JSC) was established in accordance with the Securities Law. It is a legal entity linked directly to the Prime Minister, and enjoys financial and administrative autonomy. The Commission was established with the aim to protect investors in securities and to regulate and develop the capital market to ensure fairness, efficiency and transparency, and to protect it from any possible danger.

JSC Administration

The JSC is directed by a board comprising five full-time 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 is assigned a number of tasks intended to fulfil the goals for which the Commission was established, which include drafting legislation and regulations, issuing instructions, approving bylaws and instructions of the ASE and SDC, granting licenses to financial services providers and capital market accredited persons, approving the registration of securities and mutual funds, and adopting standards of accounting, auditing, and performance evaluation, which all parties subject to the supervision of the JSC must follow.

Supervision

The following are subject to the supervision and oversight of the JSC: securities issuers, licensed financial services companies, capital market registered persons, the ASE and SDC, mutual funds, and investment companies.

Board Meetings

The Securities Law stipulates that the Board should meet at least once a month, and whenever the need arises. In 2004, the Board held 31 meetings. A meeting is in quorum if attended by not less than four commissioners who must include the Chairman or his Deputy. Decisions are taken by a majority of at least three votes, and commissioners are not allowed to abstain. If a commissioner objects to a decision, he should express his objection in writing and sign it.

Board Decisions

During 2004, the Board took 430 decisions. Below is brief description of them:

Subject	No. of decisions
Studying and approving legislation to regulate the capital market	17
Approving the prospectuses and registration of securities (shares and bonds) and covering shares that are not covered by subscription	107
Granting licenses to financial services companies	7
Registering natural persons to provide financial services	44
Reviewing the ASE and SDC boards decisions	26
Taking measures against violators of the Securities Law and related regulations (notification of the violation, imposing fines, suspending licenses, and reviewing appeals)	211
Administrative and financial decisions related to the internal affairs of the Commission	38
Miscellaneous	45
Total	495

Commissioners' Privileges

The salaries, privileges, and all financial and occupational rights of commissioners were defined by a Council of Ministers decision in 1997, upon the establishment of the JSC. The monthly salary of the Chairman was set at JD 3500, that of the Deputy at JD 3000, and those of Commissioners at JD 2500. Commissioners must serve on a full-time basis and they are required not to practice any other profession or occupy any position at any public or private institution, or being members of the Parliament.

Violations

When a violation occurs, the commission addresses a notification to the violating party, which is given a grace period to present its case either in person or in writing within one week from the date of notification. The Board of Commissioners then studies the explanation provided, based on which it decides either to uphold or annul the notification. The violating party has the right of appeal against the Board decision, and the Commission has the right to refer the party to court within a period of two weeks of its notification of the Board's decision.

Professional Record of Violators

For the purpose of documentation and administration in dealing with violations, the JSC keeps a professional record of all the parties under its supervision. Violations are recorded in the violating party's record. These violations are taken into consideration when they are repeated and when the violating party requests licenses or registration to practice new financial services. The JSC has the right to exchange this and other information with international supervisory bodies.

During the past year, the JSC recorded 464 violations (Annex II, Table I). This rise of violations is due to a number of reasons, such as the increased activity in the secondary market, the inclusion of new types of behaviour and activities within the definition of a violation according to the new Securities Law, and the intensification of the JSC's supervision on trading activities and registered persons. Another influencing factor was the introduction of advanced technology in surveillance and auditing, which raised the level of supervision. The JSC believes that rigorous enforcement of the Law and related regulations, and penalising violators will, in due course, help investment and reinforce the culture of compliance with the Law in society.



The value of fines imposed by the JSC on violating parties amounted to JD 114,000 and constituted 2% of the JSC's total revenues in 2004. The goal of imposing fines is not to collect money but to enforce the supremacy of the Law and to enhance confidence in investment in the market.

International Cooperation

The JSC attributes great importance to the strengthening of cooperation and the exchange of information and expertise with Arab and international organizations. The Commission has concluded international agreements and MoUs with counterpart organizations for the exchange of information that contribute to the realization of the JSC's goals and develop the capital markets in Jordan and in the countries of these parties, in accordance with conditions that safeguard the rights of all parties concerned and which are governed by IOSCO principles. During the past year, a MoU was signed with the Egyptian Capital Market Authority aiming mainly to reinforce cooperation in the surveillance of the securities market and its institutions in both countries, the exchange of legislative and technical information and expertise, and cooperation in training. Previously, agreements and MoUs were signed with Bahrain, Kuwait, and Malaysia. Drafts of agreements and MoUs were prepared for future signature with Oman, Palestine, Poland, Ukraine, Romania, and Pakistan.

JSC's Membership in IOSCO

The JSC has an important presence and an active role in IOSCO, which is an international organization comprising capital market supervisory and regulatory institutions from all over the world. IOSCO aims to develop capital markets in member countries through laying down criteria and standards related to legislative, regulatory, and supervisory aspects of capital markets. Since 2000, the JCS has been Vice Chairman of the Emerging Markets Committee (EMC), a member of the EMC's Advisory Board, and a member in the IOSCO Executive Committee. In addition, the JSC was chosen as a member of the task force for drawing the bases for an Islamic capital market and the task force for regulating corporate governance in EMC's member countries.

Personnel

In its employment policy, the JSC focuses on attracting efficient personnel. The employees of the JSC reached 92 at the end of 2004, 25 of which were recruited during that year. 80% of them hold university degrees and 35% of the staff are women. In addition, the Commission gives special consideration to applicants with special needs.

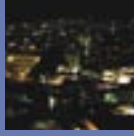
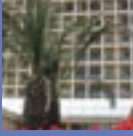
Reinforcement of Investment Culture

The JSC continued its efforts to enhance awareness of matters pertaining to the capital market. It has published educational materials through the media, held lectures and specialized meetings with national civilian and military institutions, and received visits from colleges and university students.

Corporate Governance

The JSC believes in the importance of corporate governance to enhance transparency and protect the interests of all participants in the company, through identifying the duties and responsibilities of these parties. The Securities Law and related regulations include a number of articles on corporate governance. The JSC in cooperation with the capital market institutions is working on drafting new rules that would apply international standards of corporate governance, particularly those of the Organization of Economic Cooperation and Development (OECD), on companies registered with the JSC and listed on the ASE. The JSC also requested the World Bank to conduct an assessment of the extent to which rules and principles of corporate governance and related legislations are implemented in Jordan. The Bank's report, which included specific findings and recommendations, pointed out that in general, corporate governance principles are observed in Jordan, and covered mainly by the Securities Law and related regulation and by the Companies Law. The report identified a number of steps that could be taken to reinforce corporate governance in the country. The report indicated clearly that Jordan occupies an advanced position in implementing corporate governance principles, higher than the international average in this connection.

The Commission may conduct any investigation, inspection or audit that it deems necessary to implement the provisions of the Law and protect investors.



Cooperation with Domestic Regulatory Bodies

In light of the recent international trend and developments, the JSC is supporting the idea of unifying supervisory and regulatory institutions in the financial sector. The JSC attaches great importance to the cooperation and coordination with local regulatory bodies because it believes that such coordination is important to the implementation of the law, which serves public interest and the interests of investors, eliminates conflict and duplication, and saves time and effort. The Commission works to develop a practical documented mechanism for this cooperation through memoranda of understanding with these entities. The JSC has prepared a draft MoU with the Central Bank of Jordan (CBJ) to enhance cooperation and coordination between the two parties with regard to regulatory and supervisory dimensions. The draft was sent to the CBJ for study in preparation for signing the MoU in its final form.

Use of Technology

In 2004, an additional number of electronic systems and programs were introduced to develop the supervisory role of the JSC and the efficiency of the Commission's internal functions. These include:

- Creating a database on financial companies and registered persons, with regard to their financial guarantees statements and licenses granted to them.
- A special program on insider trading to reinforce the JSC's supervisory role.
- Equipping the JSC with the auditing system prepared by the SDC, to enable the JSC to access investors' records as well as the settlement procedures for trading contracts executed at the ASE.
- The JSC's internet speed was raised from 256 KB to 512 KB, to expedite and facilitate the process of collecting information and data that are published by the JSC to enhance disclosure.

Any person who violates any provisions of the Securities Law or regulations, instructions or decisions issued pursuant thereto, and accomplices, aiders, and abettors will hereby be subject to a fine not more than one hundred thousand Dinars, plus twice the profit realized or the loss avoided, and by additional more stringent punishments that include a prison term not longer than three years.



Capital Market Legislation

A) Instructions of Issuing Companies Disclosure and Accounting and Auditing Standards

During the past year, the JSC issued and approved a number of legislations that regulate the different activities in the capital market, in particular:

These Instructions were enacted on 1/3/2004. They were designed to be compatible with the Securities Law No. 76 of 2002, which was the result of extensive efforts that took into consideration the lessons and experiences the Commission learned from the practical application of the previous instructions. These new Instructions aim to enhance the legislative and regulatory framework of disclosure of necessary information that investors need to take their investment decisions and to protect them from any misleading or incomplete information.

The main features of the Instructions include:

- 1) A definition of the type of information and reports that companies issuing securities must disclose, whether upon listing of securities or in relation to periodic data or when material developments take place.
- 2) Issuing companies are required to publish the preliminary financial results of their operations within 45 days of the end fiscal year.
- 3) Companies are required to provide the JSC with their annual reports within a period not exceeding 3 months from the end of its fiscal year.
- 4) A definition of the data and information that companies issuing securities and requesting to be listed on the stock exchange must provide to the Commission, particularly a report by the company's board of directors that includes a brief about the establishment of the company and its objectives, a description of the securities issued, the names of board members and major holders of the securities issued where ownership constitutes 5% or more of the total issued securities, and the company's financial statements.
- 5) Issuing companies whose securities are approved for listing by the stock exchange are required to publish their annual and periodic financial statements and a summary of the board of directors' report submitted for the purposes of listing.
- 6) Companies are required to inform the JSC and immediately issue a public statement whenever a material event occurs. Material events include any event which may affect the financial status of the company, its profitability, the prices of its securities, general changes in the company's assets, capital structure, or products. The company should also report major transactions, merger, issuance of new securities, distribution of dividends, or any non-recurrent transactions that might impact the company's profits or financial position.
- 7) Persons who occupy the following positions in the issuing company are considered, de facto but not exclusively, to be insiders: The chairman and members of the board of directors, the managing director/ CEO, the financial director, the internal auditor and relatives of these persons.
- 8) The Instructions include provisions regarding insider trading. Insiders in the issuing company shall notify the Commission about any securities issued by the company, which are owned by themselves or their relatives, and shall notify the Commission of any changes to such within one week thereof.



- 9) Any person who acquires or has disposal of 5% or more of any securities of the same issuing company shall notify the Commission of such in writing. The said person shall also notify the Commission in writing of any 1% increase in acquisition within one week of such occurrence, and shall disclose intention of any purchase above 10%.
- 10) The board of directors of the issuing company shall form an audit committee of three non-executive board members who are natural persons, The audit committee shall be in charge of nominating the external auditor, ensuring that the auditor meets the Commission's requirements, ensuring the company's compliance with the Securities Law and legislations issued pursuant thereto, examining the periodic reports prior to their presentation to the board of directors, examining and evaluating the internal audit procedures, and reviewing the external auditor's assessment of such procedures, ensuring that there are no conflicts of interest arising from the company's transactions, contracts or projects with the parties concerned.
- 11) Defining the authorities of the auditing committee, particularly requesting information from the company's employees, seeking legal, financial, administrative or technical advice from any external consultant, recommending that the board of directors nomination of the external auditor to be elected by the general assembly.
- 12) All parties subject to the supervision of the Commission shall prepare their accounts according to the international accounting standards issued by the International Accounting Standards Board, and audit these accounts according to the international auditing standards issued by the International Federation of Accountants.
- 13) Defining the conditions that the auditor of any party subject to the to the supervision of the Commission must meet, such as, holding a valid license to practice auditing, being a member of the Jordanian Chartered Accountants Association, and being classified in category (A) according to the applicable auditors classification regulations.

B) Instructions on Investigating Violations

These Instructions came into force as of 12 / 5 / 2004. They intended to enhance transparency and protect investors in the market by defining rules and mechanisms for a professional and purposeful investigation. The main features of these Instructions include:

- 1) Defining the procedures for interrogating persons who violate the provisions of the Law, or any legislation issued pursuant thereto.
- 2) Defining procedures for forming the investigation committee, its powers, duties, and its methods of work
- 3) Granting the investigation committee the power to inspect any party under the supervision of the Commission, audit its accounts and records, call witnesses and hearing their testimonies under oath, and obtain any documents related to the matter under investigation.

C) Draft of Instructions for Licensing Financial Services and Capital Market Registered Persons

In light of the practical implementation of Instructions on Licensing of Activities of Financial Services Companies and Certified Financial Professionals No. 1 for the year 1999 and the legislative developments in the Jordan capital market, particularly the enforcement of the Securities Law No. 76 for the year 2002. A new draft of instructions on Licensing financial services and capital market registered persons was prepared. This draft aim to develop the services provided in the market and to raise the professional standards of financial services providers at the level of financial services companies and registered persons by defining standards and conditions related to the provision of these services in a manner that would enhance the protection of investors and traders.

Below are the main features of the draft instructions:

- 1) Defining specific conditions for granting a license to practice any of the financial services covered by the draft instructions. These conditions include that the applicant must be a public shareholding company, private shareholding company or a limited liability company whose activities are limited to financial services or to the custodian services. If the applicant is a bank, the brokerage activities shall be carried out through a subsidiary, affiliate, or a company fully owned by the bank.
- 2) In order to support the financial position of licensed companies and enhance investor protection, the draft raised the minimal capital required to perform a number of financial activities including financial broker, investment management, underwriter, and custodian.
- 3) Elaborating on the nature of each financial services offered by financial services companies and assigning a chapter for each type of services provided.
- 4) Specifying certain conditions for the registration of natural persons. The draft made a distinguish between administrative and technical registration and clarified the conditions for each of them, as well as the general conditions that govern the work of the registered person, termination and renewal of his registration.
- 5) Requiring financial services companies to appoint a compliance officer who must be professionally certified by the JSC. The draft defined the tasks assigned to the compliance officer, which include following up on the compliance of the company and its employees with the Securities Law, regulations, instructions and decisions issued pursuant thereto, making the company's employees aware of the provisions of the Law, regulations, instructions, and decisions issued by the Commission, the ASE and the SDC.
- 6) The draft contains a section on financial services companies disclosure, taking into consideration the disclosure requirements in force. One of the requirements is that the financial services company should provide the JSC with an annual report on the company's management, financial statements, auditor's report, and a declaration by the company that there is no material information that might affect the company's continuity during the coming fiscal year.
- 7) Permitting banks to practice financial brokerage activity through subsidiaries, affiliates, or companies fully owned by the same, in a manner that would prevent any supervisory overlap between the JSC and other supervisory entities in the Jordan capital market.



D) The Legislations of the ASE and SDC

The JSC's Board of Commissioners approved a number of instructions and regulations related to ASE such as ASE Disclosure Instructions, Securities Trading Instructions, Listing Securities Instructions, the ASE Internal By-Law on Fees, Charges and Commissions, and the Dispute Resolution Instructions. The Board also approved the ASE administrative regulations such as the Internal By-Law, the Internal Administrative By-Law, the Financial By-Law, and Transportation and Traveling BY-Law. In addition, the Board approved a number of regulations and instructions related to the SDC such as, Registration and Settlement of Securities Instructions, the SDC Membership By-Law, the SDC Members Code of Conduct, the Settlement Guarantee Fund By-Law, and the SDC Proceeds By-Law.



Issuance

Companies in general seek to raise their capital or to issue bonds in order to raise the necessary funds to finance their projects and plans. Article (5) of the Securities Law identifies the JSC as the sole party authorized to regulate the process of issuing new shares and bonds by issuers. The issuer of securities needs to register them with the Commission as the official documentation of these securities. Securities are then registered in the names of their owners at the SDC, and listed in the stock exchange for trading.

When offering securities for public subscription, the issuer is obliged by the Securities Law and related regulations to prepare and submit to the JSC a prospectus that contains all information and data that would enable investors to make his informed investment decision. The prospectus is the reliable source of information for investors, and the first declaration by the issuer when issuing securities. The Commission reviews the prospectus and has the right to request additional information to be included in or attached to it.


The JSC's Board of Commissioners may consider the prospectus effective if it meets the provisions of the Securities Law and its related regulations. It also has the right to reject the prospectus if it contains incorrect, inaccurate, misleading, or incomplete data or it does not contain material information that would help investors make their informed investment decision.

If the prospectus contains incorrect data related to material information, or this information has been deleted, the issuer and any other signatory of the prospectus are considered in violation of the Securities Law. For the prospectus to be complete, the Law requires that it must be signed by the issuer's chairman of the board of directors or by the managing director or CEO and the financial director of the issuer, as well as a majority of the founders, a majority of the members of the board of directors, a majority of the partners in a limited liability company, the issuing manager, and the auditor who approved the financial statements.

In 2004, the JSC approved 34 prospectuses after studying them to ensure that they fulfil all the requirements of the Securities Law and the Disclosure Instructions. Of these, 17 were for issuing new shares and 17 were for bonds issued by public shareholding companies. The Board of Commissioners may exempt issuing companies from submitting a prospectus in certain cases defined by the Securities Law.

In 2004, 31 public shareholding companies issued new shares to raise their capital through private subscription by the existing investors or certain investors, capitalization of the company's debt, and converting them to shares and registering them with the Commission. The number of shares offered reached 182 million shares, of which 167 million shares were covered or 92%, compared with 15 public shareholding companies that raised their capital by JD 56.2 million in 2003, an increase of 317% compared with 2004 (Annex 1, Table 1). It is worth noting that the unsubscribed shares are considered registered with the Commission and the companies may re-offer them by issuing an amended prospectus approved by the Commission.

The Jordanian economy has not seen in 2004, the formation of new public shareholding companies through public subscription. Activity was limited to raising capital by issuing new shares to existing investors and allocating a portion for new investors. This phenomenon was notable in the past few years in addition to the transformation of the legal form of companies from limited liability to public shareholding companies.



Five limited liability companies were transformed to public shareholding companies in 2004, with a capital of JD 29.5 million. However, 2003 did not witness the registration of any new public shareholding company. It is hoped that the primary market would see greater activity in the future in view of the great activity in the secondary market and the increasing demand for shares, which should encourage the establishment of new companies and induce existing companies to raise their capital to meet the increasing demand for investment in shares. (Annex 1, Table 2)

Twenty eight companies raised their capital and issued new shares by the capitalization of voluntary reserves, retained earnings, or issue premium or part of it. These new shares that were distributed as stock dividends reached 82 million with a value of JD 161 million, compared to 12 public shareholding companies that raised their capital by JD 28.7 million in 2003, a rise of 561% (Annex 1, Table 3). Stock dividends are distributed to the company's shareholders on a pro rata basis as at the end of the 10th day of the registration date of the said shares.

There were 17 issues of bonds and short-term securities issued by public or private shareholding companies, with a value of JD 222 million, compared with 9, with a value of JD 59.7 million in 2003, a rise of 372% (Annex 1, Table 4). Bonds issued or guaranteed by the Government reached JD 330 million, compared with JD 676.9 million in 2003 (Annex 1, Table 5).



Disclosure

Periodic and accurate disclosure and making information available to the public and to investors are among the fundamental pillars of financial markets, which help them achieve fairness, transparency, and efficiency. To enhance disclosure, the Issuance and Disclosure Department at the JSC pursues and monitors the compliance of the issuing companies with the Securities Law and Disclosure Instructions issued by the Commission.

Preliminary Disclosure

There are a number of disclosure requirements that issuers need to fulfil. In addition to the preliminary disclosure through a prospectus, companies need to make periodic disclosure of financial statements, disclosure of material information that affect the prices of securities, and disclosure of the dealings of major investors and insiders.

Continuous Disclosure

The Issuance and Disclosure Department pursues and monitors the compliance of public shareholding companies with disclosure requirements including the disclosure of preliminary results, annual reports, and semi-annual reports, on time specified by the Disclosure Instructions. The Department also follows up on the issuing companies compliance with the requirement to disclose any material information related to events that might affect the prices of securities.

Periodic Disclosure

The Securities Law and Disclosure Instructions require companies to submit to the JSC their preliminary results no later than 45 days after the end of their fiscal year, their annual reports no later than 90 days, and their semi-annual reports within a period not exceeding 30 days from the end of the first half of their fiscal year.

Public shareholding companies' compliance with the disclosure requirements regarding their preliminary results reports in 2004 has improved compared with the previous year. 69% of public shareholding companies provided the JSC with these reports on time specified by the Disclosure Instructions, compared to 51% in 2003 (Diagram 1). Companies compliance with the requirement to provide the JSC with their semi-annual reports registered an improvement, where 75% of public shareholding companies submitted their reports on time, compared with 41% in 2003 (Diagram 1). Compliance of companies with the requirement to provide their annual reports also improved, where 64% of the companies provided the JSC with these reports, compared to 43% in 2003 (Diagram 1).

The JSC's policy of enforcing legal disclosure requirements and the policy of violating companies that do not comply with these requirements, and imposing fines on these violators, particularly since the enactment of the Securities Law No. 76 of 2002, has improved the companies observance of the requirement to submit the required periodic reports to the Commission on time. It is expected that this approach would continue in 2005 to help companies understand their responsibilities and improve their compliance with disclosure requirements.

Periodic reports issued by issuing companies, the publications of licensed financial services companies, and capital market institutions publications, are among the most important sources of information on securities.



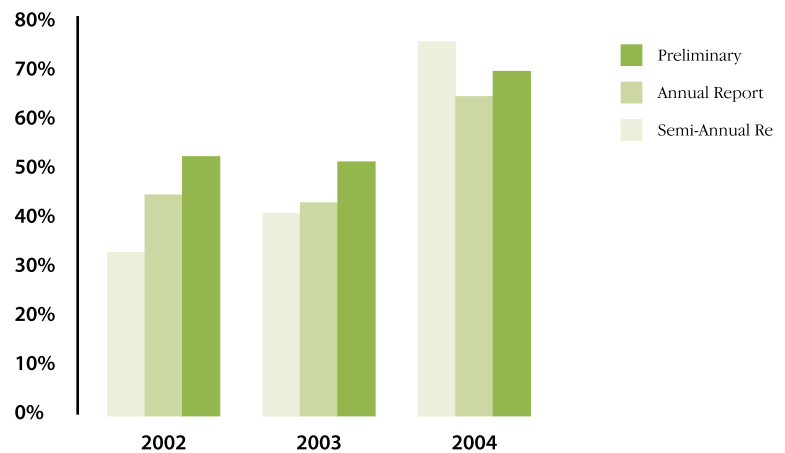
Sheet (1)

Public Shareholding Companies Compliance with the Requirements to Submit Periodic Reports on Time

Periodic reports	2002	2003	2004
Preliminary results	52%	51%	69%
Annual report	44%	43%	64%
Semi-annual report	33%	41%	75%

Diagram (1)

Public Shareholding Companies Compliance with the Requirements to Submit Periodic Reports on Time



Disclosure Violations

- 1) Fifty seven companies failed to submit their preliminary results on time, of which 41 were fined (Annex 2, Table 4). 64 companies did not submit their annual reports on time, of which 63 were fined (Annex 2, Table 7), while 44 companies failed to submit their semi-annual reports, all of which were fined (Annex 2, Table 5). All companies were contacted and urged to comply with the Law. Most of them responded to the Commission's request, except a few who were fined by a decision of the Board of Commissioners. It is worth noting that due to the persistent follow-up by the JSC, most companies submitted their reports in 2004. Failure to make disclosure on time amounted to 17% of the total violations (Diagram 2).
- 2) One hundred and sixty nine companies failed to include their annual reports all information required by the Disclosure Instructions, such as failing to disclose information about the achievements of these companies, their competitive situation, time series of annual profits, a financial analysis, the names of major shareholders, and bio-data on the board of directors and the executive management. Fines were imposed on some of these companies and violations were registered in their professional records, while others were cautioned about the importance of observing the Law and related regulations.

Issuing and disclosing periodic reports, and disclosing material information that affect the prices of securities, are of the most important duties of a public shareholding company towards investors.

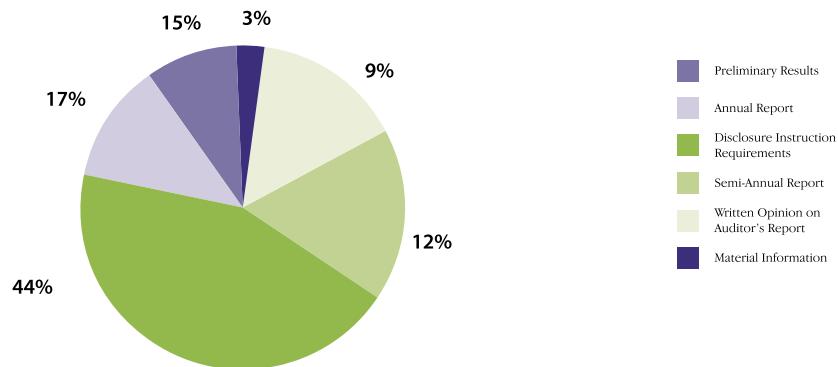
3) Ten companies failed to inform the JSC of material information that affects the prices of their securities. Eight of these companies were fined between JD 500 to JD 2000. The violations were recorded in the professional record of these companies (Annex 2, Table 2).

Sheet (2)

Violations during 2004 Related to Periodic Disclosure and Disclosure of Material Information

Violation	Percentage
Preliminary results	15%
Annual report	17%
Disclosure Instructions Requirements	44%
Semi-annual Report	12%
Written opinion on Auditor's Report	9%
Material information	3%

Diagram (2)



Insider Trading

The departments of Issuance and Disclosure and Capital Market Surveillance monitor dealings by insiders, including chairpersons, board members, executive directors and major shareholders, who are required by the Disclosure Instructions to inform the Commission of their dealings. The Instructions require any person who acquires or has disposal of 5% or more for the first time of any securities of the same issuing company, to notify the JSC within one week of such occurrence. The said person shall also notify the Commission in writing of any 1% increase in acquisition within one week, and shall disclose intention of any purchase above 10%.

Disclosure Instructions also oblige chairpersons and members of boards and executive directors to declare to the JSC in writing, their holdings or any of their relatives, of securities issued by the mother company or any subsidiary, associate, or sister companies, within a week of their election or appointment.

Among the most important practices prohibited in the capital market are submitting incorrect reports, approving incorrect reports by auditors, and using inside, unpublished information about companies to make profits or avoid losses.



The majority of insiders complied with the legal requirement of prior disclosure, with the exception of 33 persons, of whom 31 were fined between JD 250 and JD500 (Table 3 Annex 2). Violations were filed against two companies for changing their fiscal years without submitting to the JSC financial reports covering the transition period. Both companies were fined JD 500 each (Annex 2, Table 6).

Mutual Funds

Mutual Funds Instructions defined the conditions and procedures for the establishment of mutual funds, their activities, and the obligations of these funds. Currently, four open-end Jordanian mutual funds are registered with the JSC: Jordinvest First Trust Fund, Growth Fund for Financial Investments, the Fund of Housing Bank for Trade and Finance / Jordanian Securities, and Horizon Fund - Export and Finance Bank.

Since these mutual funds are open-end funds, they are registered with the JSC, and not listed at the ASE. Their securities are traded through a direct relationship between the investor and the fund. The fund issues any number of securities to investors who wish to buy, and it remains ready to redeem any number of investment 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.

The fund is obliged to submit its periodic financial statements to the JSC and to declare its net assets value at least twice every month, to enable investors to monitor its performance closely and to make their investment decisions accordingly. The JSC is working on the amendment of the Mutual Funds Instructions to be in line with the best international standards and practice and to further encourage the establishment of this type of financial investment.

Auditors

During 2004, an auditor was fined JD 100 for failing to notify the JSC that he apologised to audit the accounts of an issuing company (Annex 2, Table 9).

Among the main advantages of investing with mutual funds are risk minimization through diversification, professional investment managers, quick and easy liquidation of investment, and saving the investor the time needed to follow up on his investment.

An auditor or accountant is in violation of the Law if he approves financial records that are false, misleading, or in violation of auditing and accounting standards. He is also, responsible for compensating any person who suffers a loss as a result.



Supervision on Capital Market Institutions

According to the Securities Law, the ASE and SDC are subject to the supervision of the JSC. The Capital Market Surveillance Department at the JSC monitors day-to-day activities of these institutions.

Amman Stock Exchange (ASE)

The Department is directly connected to the trading system used at ASE, which allows it to monitor the ASE's daily trading directly on real time basis. After the conclusion of the first trading session, the Department prepares a daily report that includes the volume of trading, price changes, the most actively traded companies, and those whose shares prices show the greatest fluctuation compared with previous days. The reports also include details of major transactions, and any trading that might be based on the misuse of material information. The Surveillance Department also monitors trading by brokers, both trading for their accounts and trading on behalf of their clients.

The Department also ensures that the ASE monitors trading, supervises its members, and ensures that members of the ASE Board and executive administration exercise their powers in accordance with the Law and related regulations by reviewing the ASE reports submitted to the JSC. The Board of Commissioners also revises the decisions of the ASE Board of Directors on a regular basis.

Performance of the ASE

In spite of the difficult circumstances that prevailed in the region, the ASE performance indicators witnessed a major improvement in 2004. The General Shares Price Index rose considerably in 2004 to close at 4246 point at year's end, a rise of 62.4% compared with 2003. The volume of trading rose by 105% to JD 3.8 billion. The number of shares traded rose to reach 1.3 billion shares, an increase of 33%. The rate of shares turnover rose to 58.2% compared with 49.1% in 2003. Market capitalization of shares listed on the ASE rose by JD 5.3 billion, to reach JD 13 billion, a rise of 67.7%, compared with the end of 2003. Accordingly, the market capitalization constituted 185% of GDP. This percentage is one of the highest rates in the world, which reflects the relative importance of the securities market and its weight in the national economy.

Net investment of non-Jordanians rose to 41.3% of the market capitalization at the end of 2004, of which 31.1% belonged to Arab investors, 10.2% to non-Arabs. This non-Jordanian investment is an expression of confidence in the Jordanian securities market.

Securities Depository Centre (SDC)

The JSC supervises the SDC to ensure that it carries out its activities in accordance with the Law and related regulations. The SDC prepares a daily update of the records of investors in public shareholding companies that are registered at the SDC, and whose shares are traded at the ASE or not, according to securities transactions that take place directly through the ASE, in addition to the transfers that take place at the SDC. The SDC also updates records of ownership, lien, or pledge. The Centre has become the only entity authorized to mark shares as under pledge.

The SDC submits regular reports to the JSC on its activities, which include circulars that it issues, correspondence to its members, and the decisions of its Board of Directors, which the JSC Board of Commissioners reviews on a regular basis.

If you wish to buy or sell securities at the ASE, you should contact a financial broker licensed by the JSC, read the agreement with your broker before signing it, make sure that his commission is within the operative range, and follow up on your investment closely.



SDC Performance

On 31/12/2004, the SDC completed the transfer of records of shareholders in public shareholding companies and deposited the authenticated parts of these records. Consequently, records deposited with SDC became the responsibility of the Centre while undeposited records are still the responsibility of public shareholding companies concerned. By depositing records with the SDC, ownership certificates are ipso facto annulled. Ownership of 160,395 shareholders was deposited at the SDC, which constituted 33% of the total of the shareholders who own 2,588,394,211 shares, which constitute 90% of the total number of shares issued, of a value of JD 12 billion.

Settlement procedures started to be done directly through SDC, based on delivery versus payment principle, one of the most important international standards in capital markets. Settlement procedures are conducted by exchanging the price of securities among brokers by means of bank transfers between the bank accounts of brokers to the SDC settlement account at the Central Bank of Jordan, through the RTGS-JO system, in which the SDC is an indirect member.

To limit the risk linked to settlement, the rules of the Settlement Guarantee Fund were put into effect on 31/12 /2004, which aim to cover any deficit that may appear with members, to ensure that settlement procedures are completed within the specified time.

Among the services that the SDC offers to investors in securities is freezing shares in the SDC central register for investors who wish to prevent any trading in their shares. This freeze is lifted only upon the written request of the securities owner. The SDC also provides investors with a number of statements and reports that show their securities, and the distribution of these securities among the various accounts of members.

It is noteworthy that procedures applied at the SDC in 2004, enhanced the capital market's efficiency and effectiveness, and reinforced investor confidence.

The most important institutions under JSC supervision are shareholding companies, financial services companies, natural persons who are registered to offer financial services, the Amman Stock Exchange, the Securities Depository Centre, mutual funds, and investment companies.



Licensing and Registration

Regulating financial services is one of the most important tasks of the JSC, to safeguard the integrity of trading in the capital market and protects investors in securities. Licenses issued by the JSC include financial brokerage, investment trusteeship, investment management, financial advisory, custodianship, management of primary issues, and margin financing. Instructions issued by the JSC set the conditions that should be met by all companies in order to receive a license to practice any of the above activities and services. In this connection, the Board of Commissioners took the following decisions related to financial services in 2004:

New Licenses

A- New licenses were granted to 7 companies to perform financial services as follows:

Company	Type of License	Date
Al-Shurouq Financial Brokerage	Financial Broker Dealer	19/1/2004
Société Générale Bank-Jordan	Margin Financing	16/3/2004
The Arab Financial Investments	Financial Advisory	16/3/2004
Aman for Securities Ltd.	Financial Broker Dealer Financial Advisory	26/4/2004
Rasmala Investments Holdings	Financial Advisory	13/12/2004
Al-Oula Financial Investment	Financial Broker Dealer	20/12/2004
United Financial Investment	Investment Management	20/12/2004

Relationship between clients and financial services companies are governed by means of agreements that define the services which the company offers to its clients and the conditions and commissions that it will receive in return. The objective of these agreements is to protect the rights of all contracting parties.



Revoked and Suspended Licenses

B- Four licenses belonging to three financial services companies were revoked or suspended as follows:

Company	Type of License	Date
United Arab Investors	Underwriter (Revoked)	19/1/2004
Investors Services Group	Financial advisory (Revoked)	26/8/2004
Philadelphia Investment Bank	Financial broker and dealer (Suspended)	23/11/2004

Registration of Natural Persons

C- The JSC granted 49 licenses to 48 natural persons to provide the following financial services:

Type of registration	Number
Registered broker	35
Registered Investment Manager	3
Registered Financial advisor	10
Registered Investment Trustee	1

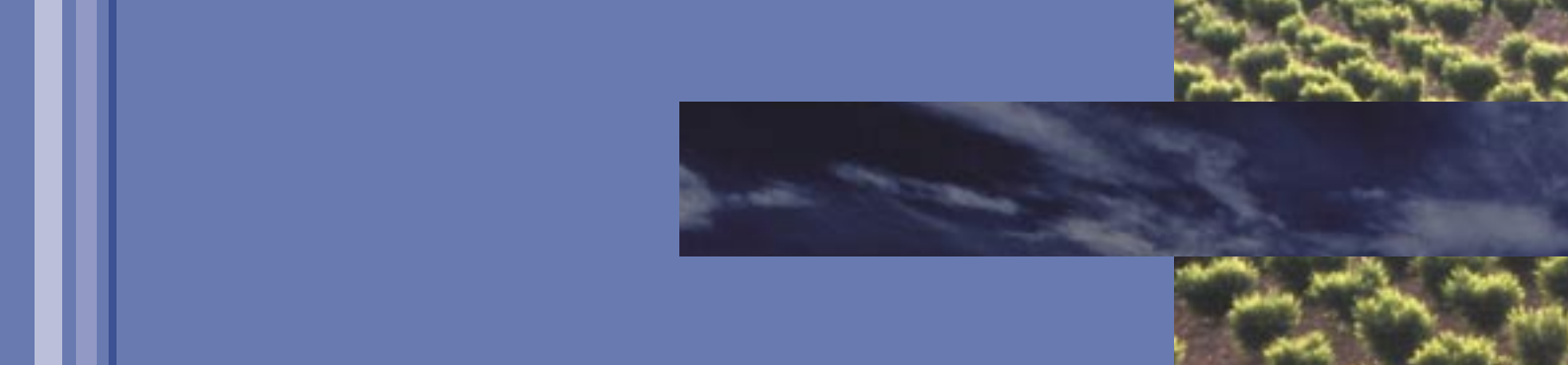
Violations

The Department of Licensing and Inspection at the JSC monitors the activities of financial services companies, to ensure their compliance with the Securities Law and related regulations, and with the standards of capital adequacy, through inspection visits and analysis of capital adequacy weekly reports submitted to the JSC by these companies. These reports aim to define certain ratios including total liabilities to owners equity, personal withdrawals of partners to paid-up capital, and total accounts receivables and payables to net owners equity. The Department ensures the compliance of financial services companies with the set minimum and maximum limits for these ratios. Also, an analysis is made to ascertain the degree of liquidity of these companies and their financial status.

As a result of this follow-up, the Department of Licensing and Inspection and the Capital Market Surveillance Department served notifications of violations to a number of financial services companies. The violations were registered in the JSC's records.

These violations were as follows:

- 1) One financial services company was served a notification of violation for practicing financial services activities without having a license from the JSC. The company was given a warning.
- 2) Three financial services companies were served notifications of violations for failing to submit financial statements that reflect their real status, and for failing to keep accounting records in accordance with international accounting standards. Two of these companies were fined between JD 1000 and JD 5000, and one of them was suspended. The third was served a warning.
- 3) Eight financial services companies were served notifications of violations for selling shares without verifying their ownership. Six of these companies were fined JD 100 and the remaining companies were served warnings.

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- 4) One company was served a notification of violation for performing the activity of investment trustee without having a registered natural person to perform such activity. The company was fined JD 150.
 - 5) Two financial services companies were served notifications of violations for failing to inform the JSC of the resignations of their registered persons within a week of the resignations. One of these companies was fined JD 150 and the other was served a warning.
 - 6) One financial services company was served a notification of violation for allowing the net owners' equity to fall below the company's minimum capital. The company was fined JD 250.
 - 7) Two financial services companies were served notifications of violations for failing to submit to the JSC their semi-annual reports. Each company was fined JD 500.
 - 8) Two financial services companies were served notifications of violations for charging commissions below the permitted minimum level. Each of the companies was fined JD 250.
 - 9) One financial services company was served a notification of violation for failing to submit to the JSC a copy of its agreements with banks. The company was served a warning.
 - 10) Nineteen notifications of violations were served to 8 companies for failing to comply with financial adequacy requirements by exceeding the maximum of total liabilities, failing to collect clients accounts receivable, exceeding the permitted maximum level of withdrawals by partners, failing to carry out the necessary settlements on current assets, or for exceeding the minimum permitted level of the adjusted owners equity. Each company was fined JD 150.
 - 11) Two companies were served notifications of violations for failing to keep records of their clients authorizations. Each company was fined JD 200.
 - 12) Four financial services companies were served notifications of violations for failing to keep complete clients files. They were fined between JD 150 and JD 200.
 - 13) Two financial services companies were served notifications of violations for charging their clients commissions on the sale of shares without balance. Each company was fined JD 150.
 - 14) Five violations were served to two financial services companies for violating Margin Financing Instructions by failing to collect the initial margin or by financing securities that are not permitted to be margin-financed, exceeding the maximum permitted value of margin financing allowed to certain clients, or failing to take action against clients who failed to cover the deficit in the initial margin. The companies were fined JD 250 for each violation.

Imposing fines, restricting dealing in securities, revoking or suspending licenses, and referring violators to the courts, are among the most important measures the JSC takes against violators



- 15) Two companies were served three notifications of violations for violating Mutual Investment Instructions, either by failing to manage the mutual fund by the investment manager in accordance with the fund's investment policy, or failing to follow up and evaluate the fund's investments by the investment trustee or investing more than 5% of the fund's assets in the securities of a single issuer. Companies were fined between JD 200 and 250 for each violation.
- 16) An employee of a brokerage firm was served a notification of violation and a warning for trading in securities through another broker.
- 17) One financial services company was served a notification of violation for failing to keep a record of clients buy or sell authorizations. The company was fined JD 50.

If you suffer from unfair practices while dealing in securities, submit a complaint to the JSC and to capital market institutions.

Raising Efficiency and professional Level of the Capital Market Staff

The JSC believes in continuous training for personnel to develop their academic and professional capabilities, and to upgrade their performance and their awareness of the latest developments in international capital markets. In 2004, 77 employees (84% of the total number of employees) participated in specialized training courses, conferences, and specialized seminars in Jordan and abroad, distributed as follows:

Training Courses	No. of Employees	No. of Participations
Internal	71	135
External	19	21

These meetings covered a number of topics that included capital market operations, developments in international markets, securities analysis, time management, planning, developing leadership ability and administrative skills, corporate governance, and specialised programming courses.

The most important training programs held in cooperation with local and international parties were:

A) Capital Market Training Program

As a result of the fruitful cooperation in executing training programs during the past years between the JSC and the US Securities and Exchange Commission (US SEC), and in appreciation of JSC's efforts to reinforce its supervisory role in the market in accordance with international practices and standards, the US SEC responded to our request to hold the Capital Market Training Program in Amman for the third consecutive year. The Program was held in the period 20-24/9/2004 in cooperation with US SEC and the National Association of Securities Dealers (NASD). Capital market experts from the US gave lectures in the Program, which was attended by more than 100 participants from 14 Arab, Asian, and African countries.

B) Financing Companies Using Fixed Income Tools Seminar

This four-day seminar was held in Amman in cooperation with USAID and AMIR Program. It covered mechanisms for financing projects with low-interest, and fixed-income instruments. More than 100 financial and general managers representing 50 local public shareholding companies and banks attended the Seminar, which aimed to introduce participants to new and unconventional investment and financing options that are available to investors and issuing companies through activating the fixed income instruments market, such as bonds, which would help develop the market for these tools.



C) Financial Brokers' Training Program

With the aim of upgrading the financial brokerage profession, the JSC acted upon the MoU signed with the Banking Studies Institute in 2001, by organizing twice in 2004 the Financial Brokers' Training Program for brokers and capital market institutions staff. This six-week training Program covered financial instruments in capital markets, financial analysis, investment portfolios, investment funds, as well as practical and legislative aspects related to securities and investment in the capital market. The Program also included field training at the ASE, at the conclusion of which graduates received a certificate qualifying them to work as financial brokers.

The IOSCO 29th Annual Conference

Under the patronage of His Majesty King Abdullah II Ibn Al-Hussein, the IOSCO held its Twenty Ninth Annual Conference which was hosted and organised by the JSC, in Amman from 17-20 May 2004. Participants included more than 500 officials from around 120 countries representing financial market supervisory bodies, chairpersons of boards, and general managers of international economic organizations, as well as representatives of investment banks and professionals from international financial markets and financial services institutions.

The JSC secured the decision of the IOSCO Executive Committee to hold this Conference in Amman, in a competition with Spain and Austria, after giving a presentation highlighting Jordan's stability, social and cultural advancement, and the qualitative leap achieved by Jordan's capital market. The Conference was an opportunity to market Jordan and its capital market internationally, and to demonstrate this country's economic and cultural achievements, as well as the competitive advantages and investment climate in securities. The Conference was a sign of appreciation to Jordan and its leadership and for the country's stability, good reputation, capital market development, and its active role in IOSCO.

The success of the Conference reflected Jordan's advancement, achievements, and cultural heritage. It was also an opportunity for participants from all over the world to meet and exchange information to reinforce efficiency in capital markets, develop standards of supervision to protect investors, and to develop means for dealing with any challenges that face the securities industry. The Conference discussed many important issues, including legislations regulating the work of market intermediaries, challenges related to regulating mutual funds, cooperation between member countries with regard to the exchange of information and supervision of accounting and auditing standards, and stock exchange mergers and demutualization. During the Conference the JSC was re-elected as Vice Chairman of the Emerging Markets Committee (EMC) and member of the Executive Committee.

IOSCO was established two decades ago to enhance cooperation between member regulatory bodies; develop the standards of capital market supervision; upgrade efficiency, fairness, and transparency in these markets; exchange information and expertise between regulators; and unify supervisory standards. IOSCO membership comprises the world's capital market regulatory institutions as ordinary members, affiliates and associates such as the IMF, the World Bank, in addition to stock exchanges and financial institutions. The member institutions supervise more than 90% of international financial markets, which makes the IOSCO as one of the most important international supervisory organizations.

The Commission organized an exhibition on the occasion of the Conference, to give participating delegations from different countries an opportunity to present their work and services they offer.

Wilshire Associates Report

The American consultant firm Wilshire Associates of California issued a new report, which contained a list of countries and emerging markets that enjoy a suitable climate for investment in securities market. Jordan appeared on this list of 27 countries as one of the most important markets. In the last review of the report, Jordan's ranking moved from 12th on the list in 2003, to the 10th rank in 2004. As a result of the Wilshire Associates study of the standards of important developments that took place in Jordan's capital market, Jordan's rating was raised from 2 to 2.25 out of a maximum rating of 3.

This report was prepared for the California Public Employees' Retirement System, (CalPERS), which is a major investment fund for the State of California, and gives advice on investment for its members. The fund's assets are valued at around US \$168 billion, invested in different countries around the world including emerging markets.

A specific methodology was used in evaluating and ranking emerging markets in the list of 27 countries. Ratings and ranks were given to markets according to specific standards that include the level of development of the market; the presence of legislation and regulations that protect investors in the securities market; the existence of performance indicators in the market that reflect its strength, vitality, and a low level of risk for investors in it; political stability of the country; and transparency in various areas such as media, legislation, economic and fiscal policies; market listing requirements; and the extent to which international accounting standards are observed in preparing the financial statements issued by public shareholding companies in that country.

The report came in light of the developments in the national securities market during the past years on legislative and regulatory levels, where a number of legislations were issued including a new securities law and related regulations that conform with international standards; and taking procedures to reinforce disclosure of necessary information to investors; licensing financial services needed by investors; setting the legislative and regulatory framework for the establishment of mutual funds; and developing new financial tools and supervisory practices that promote the rule of law. In addition, the report took into consideration the introduction of two new electronic systems for trading and clearing and settlement at the ASE and the SDC, which enhanced confidence in the market and reinforced investors protection.

It should be noted that Jordan's political stability and moderation, and His Majesty the King's forward looking leadership were among the factors that were taken into consideration in the evaluation, and they had a major impact on the results achieved. In addition, the positive developments in the Jordanian economy and the application of international standards in supervising and regulating the capital market contributed to a major degree to the achievements made and to the ranking that was awarded to Jordan.



Foreign Investment Promotion Strategy

A) Enhancing the Regulatory and Supervisory Roles of the JSC

On August 10, 2004, the Council of Ministers approved the Foreign Investment Promoting Strategy in Jordanian securities. The Strategy was developed by a special committee formed by the Council and chaired by the JSC Chairman. This long-term strategy aims to further develop the capital market and its regulations, and to enhance efficiency, transparency, and fairness in this market, in a manner that would increase confidence and enhance its attractiveness to local and foreign investment. Below are the main features of the Strategy:

- 1- Upgrading the capital market legislations.
- 2- Enhancing the JSC's supervisory role in the capital market through:
 - a) Monitoring the compliance of companies and other parties subject to the JSC's supervision with the Law and related regulations.
 - b) Establishing a compliance program to ensure the compliance of parties under the supervision of the JSC.
 - c) Issuing instructions that define investigation procedures, including procedures for forming the investigation committee, its powers, duties, and its methods of work.
 - d) Enforcing the Law and penalizing offenders to deter wrongdoing.
 - e) Enhancing transparency by disclosing violations and the names of violators.
 - f) Developing the existing means and mechanisms for receiving and investigating complaints.
 - g) Enhancing awareness and education with regard to securities and capital market on the national level.
 - h) Developing the appropriate arrangements and mechanisms for dispute resolution in the market.
- 3- Working on unifying regulators in the financial sector in a single regulator.
- 4- Enhancing disclosure and transparency in the market and providing investors with information. The JSC will work to achieve that through:
 - a) Amending Disclosure Instructions to be in line with the provisions of the new Securities Law.
 - b) Adopting electronic filing systems to enable companies to provide the JSC with the required information.
 - c) Enhancing awareness and culture of disclosure among capital market participants.
 - d) Monitoring compliance with Disclosure Instructions and requirements and imposing penalties on violators.



- e) Participating in national efforts to regulate the auditing profession and to set a code of ethics for the profession.
- f) Enhancing the role of capital market institutions in disseminating information to investors.
- g) Encouraging the publication of information on corporations and the market through international data providers.

5- Enhancing market depth through:

- a) Licensing new financial services.
- b) Continuing efforts to encourage bonds market through measures that include:
 - 1) Educating institutions, companies, and municipalities of the benefits of financing through bonds.
 - 2) Licensing credit rating agencies.
 - 3) Identifying barriers, and providing incentives to enhance the issuance of bonds.
 - 4) Coordinating efforts in this regard with relevant government organizations.
- c) Responding to market needs by developing new financial tools.
- d) Supporting privatization through the ASE as an important tool to deepen the market.
- e) Spreading culture of investment in securities among all segments of the society.
- f) Encouraging the transformation of private and family controlled companies to public shareholding companies and grant them the appropriate incentives.
- g) Encouraging the establishment of mutual funds.

6- Setting rules of corporate governance for listed shareholding companies.

1- Implementing and updating electronic systems at the ASE and the SDC through:

- a) Depositing securities and transferring their ownership records to the SDC, in order to be electronically authenticated.
- b) Conducting clearing and settlement of trading contracts executed at the ASE.
- c) Linking up with the national payment system RTGS.
- d) Linking the ASE electronic trading system with the SDC system.
- e) Completing clearing and settlement system of the SDC in order to reach Delivery Versus Payment (DVP).
- f) Developing a system for lending and borrowing securities.

B) Risk Management and Investor Protection



g) Developing a mechanism by which the investor can monitor his securities accounts and their movements.

h) Transferring the SDC backup and support site to another location.

2- Applying international standards in the capital market.

3- Establishing an investor protection fund.

4- Developing codes of professional conduct for employees of the capital market institutions.

5- Upgrading the JSC electronic programs and software through:

a) Upgrading the JSC website.

b) Adopting the most up-to-date electronic systems in the capital market institutions.

c) Providing the JSC departments with the electronic systems and software needed, particularly trading surveillance systems.

6- Following up on the establishment of the settlement guarantee fund at the SDC.

1- Cooperating with other regulatory institutions to develop the market and eliminate any barriers to investment through:

a) Reaching a formal cooperation mechanism with other regulatory institutions, especially thought MoUs.

b) Reviewing the provisions of other related legislations to ensure their compatibility with the Securities Law and regulations issued pursuant thereto, and to avoid duplication or overlapping.

c) Introducing the appropriate proposals to amend related laws in a manner that would offer incentives to investment, reduce tax burden, and avoid any negative aspects.

d) Introducing the appropriate proposals to regulate private pension funds and provident funds.

2- Enhancing cooperation with the Jordanian legal system.

3- Enhancing cooperation with Arab and international organizations

a) Enhancing the JSC's presence and active role in Arab and international organizations.

b) Pursuing the implementation of cooperation agreements and MoUs signed by the JSC with Arab and international organizations.

c) Signing the IOSCO Multilateral Memorandum of Understanding (MMOU) and fulfilling the JSC obligations by virtue of the MMOU.

d) Continuing cooperation and exchange of expertise with a number of Arab capital market institutions.

C) Cooperation with International Organizations





D) Continuous Training and Public Awareness

- 1- Raising efficiency and professional level of the staff at the JSC and capital market institutions through:
 - a) Participating in training programs and academic scholarships domestically and abroad
 - b) Arranging field visits to a number of foreign counterparts and capital market institutions.
 - c) Organizing specialized training programs in cooperation with the Institute for Banking Studies and the US SEC.
 - d) Inviting experts and specialists and holding seminars and training courses in relevant fields.
- 2- Spreading the investment in securities culture among investors and promoting the national capital market locally and internationally.
 - a) Establishing a specialized unit at the JSC, ASE, and SDC with the aim to spread awareness and enhance culture of investment in securities.
 - b) Publishing educational materials through the JSC website and media.
 - c) Organizing specialized seminars and programs.
 - d) Cooperating with educational organizations to include in their educational curriculums courses related to capital market.
 - e) Developing programs to promote and market the national capital market locally and internationally.

مركز الأوراق المالية
JORDAN SECURITIES CENTER

مركز إيداع الأوراق المالية
SECURITIES DEPOSITORY CENTER



Financial Statements as of December 31, 2004 Together With Auditor's Report

His Excellency the Prime Minister
Chairman and Members of
Jordan Securities Commission Board
Jordan Securities Commission
Amman - Jordan

We have audited the accompanying balance sheet of Jordan Securities Commission (Jordanian Public Institution established by a special law) as of December 31, 2004 and the related statements of income and cash flows for the year then ended. These financial statements are the responsibility of the Board. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Auditing Standards. Those Standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of Jordan Securities Commission (Jordanian Public Institution established by a special law) as of December 31, 2004, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Amman – JORDAN
March 15, 2005



Jordan Securities Commission

**Jordanian Public Institution Established by a Special Law
Balance Sheet As Of December 31, 2004**

	Notes	2004 / Dinars	2003 / Dinars
Assets			
Current Assets			
Cash on hand and at banks	3	7,378,400	3,194,413
Accrued revenues	4	133,783	59,322
Receivables and other current assets	5	43,539	126,111
Due from Amman Bourse and Securities Depository Center	6	16,147	557,763
Total Current Assets		7,571,869	3,937,609
Employees housing loans	7	1,106,823	1,177,977
Fixed assets, net	8	4,648,822	3,037,634
Total Assets		13,327,514	8,153,220
Liabilities and The Government of Jordan's Equity			
Current Liabilities			
Accrued interest and expenses		48,658	69,100
Payables and other current liabilities	9	1,952,070	424,178
Unearned revenue		88,175	83,275
Total Current Liabilities		2,088,903	576,553
Other liabilities	10	1,037,925	847,845
Total Liabilities		3,126,828	1,424,398
The Government of Jordan's Equity			
General reserve	16	2,260,747	1,677,516
Capital expenditures reserve	16	3,950,000	3,950,000
Capital market buildings reserve	16	3,989,939	1,101,306
Total Liabilities and The Government of Jordan's Equity		13,327,514	8,153,220

Jordan Securities Commission

Jordanian Public Institution Established by a Special Law Statement of Revenues And Expenses for the Year Ended December 31, 2004

	Notes	2004 / Dinars	2003 / Dinars
Revenues			
Commissions		3,793,251	1,855,176
Listing and licensing fees	11	332,817	302,474
Registration fees	12	780,226	285,000
Interest income	13	104,145	61,217
Other revenues	14	722,172	220,274
Total Revenues		5,732,611	2,724,141
Expenses			
General and administrative expenses	15	1,947,536	1,319,416
Provision for doubtful accounts		-	33,222
Prior year expenses		7,890	3,178
Loss on sale of fixed assets		-	25,598
Depreciation and amortization		305,321	296,102
Total Expenses		2,260,747	1,677,516
Excess of revenues over expenses			
transferred to reserves		3,471,864	1,046,625

Jordan Securities Commission

**Jordanian Public Institution Established by a Special Law
Statement of Cash Flows for the Year Ended December 31, 2004**

	2004 / Dinars	2003 / Dinars
Cash Flows from Operating Activities		
Excess of revenues over expenses	3,471,864	1,046,625
Adjustments for:		
Depreciation and amortization	305,321	296,102
Provision for doubtful debts	-	33,222
Loss on sale of fixed assets	-	25,598
Surplus in doubtful debts	(53,738)	-
	3,723,447	1,401,547
(Increase) decrease in current assets		
Accrued revenues	(20,723)	(25,934)
Receivables and other current assets	82,573	(78,817)
Due from Amman Bourse and Securities Depository Center	541,616	566,978
Increase (decrease) in current liabilities -		
Accrued expenses	1,717,971	752,704
Payables and other current liabilities	(20,442)	30,430
Staff indemnity paid	-	(40,483)
Unearned revenue	4,900	83,275
Net cash from operating activities	6,029,342	2,689,700
Cash Flows from Investing Activities		
Proceeds from the maturity of bonds	-	100,000
Employees housing loans	71,154	50,705
Payments on building project	(1,916,577)	(34,077)
Proceeds form sale of fixed assets	68	30,482
Net cash (used in) from investing activities	(1,845,355)	147,110
Net increase in cash	4,183,987	2,836,810
Cash on hand and at banks, beginning of year	3,194,413	357,603
Cash on hand and at banks, end of year	7,378,400	3,194,413

Jordan Securities Commission Jordanian Public Institution Established by a Special Law Notes to the Financial Statements December 31, 2004

(1) General

Jordan Securities Commission (the Commission) was established with legal, administrative and financial independence in accordance with Financial Securities Temporary Law No. (23) of 1997, which was issued on May 15, 1997. This Commission is considered the legal and factual heir to Amman Financial Market (AFM) and accordingly all its rights, obligations, assets and records were transferred to the Commission.

During 2003, the temporary law No 23 of 1997 was cancelled and replaced by Financial Securities Law No, 76 of 2002 dated December 31, 2002.

The Financial Securities Law was implemented over a period of two years through the Counsel of Ministers resolutions as recommended by the Jordan Securities Commission's Board, except for transmittal clauses which became applicable immediately. Accordingly, three new bodies were formed, the Jordan Securities Commission, Amman Bourse and the Securities Depository Center which will all become legally, administratively and financially independent.

The main objectives of the Commission is to promote and encourage investment in the financial securities through administering and supervising the securities issues and the dealings in securities.

The number of employees of the commission was 120 as of December 31, 2004.

The financial statements were authorized for issue by the Commission's Board subsequent to their meeting held on March 15, 2005.

(2) Summary of Significant Accounting Policies

The accompanying financial statements are prepared in accordance with International Financial Reporting Standards as published by the International Accounting Standards Board under the historical cost convention.

- Revenue recognition:

Trading commission is recognized daily at the close of the daily session after receiving the trading contracts. The Counsel of Ministers and the Commission Board have approved certain percentages based on which the commissions are divided among Jordan Securities Commission, Amman Bourse and Securities Depository Center.

Annual subscriptions, listings and licensing fees are recognized as earned.

Registration fees are recognized once registration at the Commission is finalized.

- Fixed assets:

Fixed assets are stated at cost and are depreciated using straight line method at annual rates ranging between 4% and 33%.

- Interest on housing loans:

An annual interest of 5% is charged to housing loans while the same rate is credited to the repayments made. The difference between credit and debit interest balance, is considered as an integral part of the housing loan.

- Provision for staff indemnity:

Provision for staff indemnity of the Commission employees was computed up to 1999 in accordance with the Employees' Regulations as amended by regulations No. (11) and No. (12) of 1997. However, as a result of approving the new Employees' Regulations No. (90) of 1998, the Commission ceased computing provision for staff indemnity after December 31, 1999.

(3) Cash On Hand And At Banks

Included in cash at banks is a restricted cash balance of JD 150,000 which represents confiscated guarantees (Note 10). In addition it includes an amount of JD 1,004,818 which represents investors security fund deposit, general reserve and capital market building reserve.

(4) Accrued Revenues

This item consists of the following:

	2004 / Dinars	2003 / Dinars
Listing fees	73,491	64,756
Registration and licensing fees	134,785	142,617
Accrued licensing fees	500	500
Information service revenue	19,945	19,945
Accrued trading commission	97,360	80,601
Interest on bonds	4,953	1,892
Others	873	873
	331,907	311,184
Less: Allowance for doubtful debts	198,124	251,862
	133,783	59,322

(5) Receivables and Other Current Assets

This item consists of the following:

	2004 / Dinars	2003 / Dinars
Advances to employees	3,150	13,494
Accounts receivable	7,506	6,794
Refundable deposits	4,586	4,586
Prepaid expenses	8,095	4,607
Accrued installments on housing loans	19,216	18,287
Purchase orders	-	78,138
Others	986	205
	43,539	126,111

(6) Due from Amman Bourse and Securities Depository Center

This item consists of the following:

	2004 / Dinars	2003 / Dinars
Amman Bourse	5,552	4,149
Securities Depository Center	10,595	61,837
Amman Bourse-Building receivable (Note 8)	-	259,808
Securities Depository Center-Building receivable (Note 8)	-	231,969
	16,147	557,763

(7) Employees Housing Loans

This item consists of the following:

	2004 / Dinars	2003 / Dinars
Loans granted	1,433,296	1,498,327
Interest on granted loans	452,762	471,168
Loans repaid	(620,565)	(616,127)
Interest on repayments	(139,451)	(157,104)
Accrued installments	(19,219)	(18,287)
	1,106,823	1,177,977

In accordance with the Amman Financial Market (AFM) regulations, housing loans are granted against mortgage on the property in addition to an insurance policy covering fire, earthquakes and erosion risks on such property during the loan period.

(8) Fixed Assets

This item consists of the following:

	Balance 1/1/2004	Additions	Retirements and Transfers	Balance 31/12/2004
Cost	Dinars	Dinars	Dinars	Dinars
Land*	287,483	1,649,100	-	1,936,583
Buildings*	2,709,431	20,271	68	2,729,634
Electronic equipment	545,385	97,644	-	643,029
Furniture and fixtures	132,659	14,195	-	146,854
Office equipment	90,025	2,667	-	92,692
Motor vehicles	244,887	132,700	-	377,587
Safe boxes	3,495	-	-	3,495
	4,013,365	1,916,577	68	5,929,874
Accumulated Depreciation				
Buildings	293,113	109,484	-	402,597
Electronic equipment	379,490	151,697	-	531,187
Furniture and fixtures	69,301	11,976	-	81,277
Office equipment	59,270	6,562	-	65,832
Motor vehicles	172,365	25,330	-	197,695
Safe boxes	2,192	272	-	2,464
	975,731	305,321	-	1,281,052
Net book value	3,037,634			4,648,822

* During 2001, the Jordan Securities Commission Board decided to allocate the ownership of the new building among the occupants using the following rates:

	%
Jordan Securities Commission	47%
Amman Bourse	28%
Securities Depository Center	25%

Accordingly, the share of Amman Bourse and Securities Depository Center in the building and land were transferred and booked as due from Amman Bourse and Securities Depository Center (Note 6). As of the date of the financial statements the land and building are still registered in the name of Jordan Securities Commission.

(9) Payables And Other Current Liabilities

This item consists of the following:

	2004 / Dinars	2003 / Dinars
Amman Bourse Deposit	1,649,100	-
Ministry of Finance deposits / stamps	25	9,717
Confiscated guarantees (Note 3)	150,000	150,000
Other deposits	17,785	9,509
Deferred revenues	20,668	166,310
Tenders and suppliers deposits	111,597	88,339
Other	2,895	303
	1,952,070	424,178

(10) Other Current Liabilities

This item consists of the following:

	2004 / Dinars	2003 / Dinars
Investors security fund deposits *	1,004,818	814,738
Provision for staff indemnity **	33,107	33,107
	1,037,925	847,845

* Investors security fund represents amounts collected from intermediary companies according to Financial Securities Law No. 76 of 2002.

** The movement on the provision for staff indemnity was as follows:

	2004 / Dinars	2003 / Dinars
Balance, beginning of the year	33,107	73,590
Less: Payments made during the year	-	(40,483)
Balance, end of the year	33,107	33,107

The Jordan Securities Commission Board decided to disburse the vested staff indemnity for the employees transferred from Amman Financial Market to the Commission.

(11) Listing and Licensing Fees

This item consists of the following:

	2004 / Dinars	2003 / Dinars
Listing fees	241,642	207,999
Licensing fees	91,175	94,475
	332,817	302,474

The listing fees in accordance with Jordan Securities Commission Fees Regulation No (24) of 1999, is JD 0.0002 on share and bonds issued by public shareholding companies, provided that the fee charged shall not exceed JD 2,000. Issuance made by the government or its institutions and municipalities, is subject to fixed charge of JD 250, for each issuance.

(12) Registration Fees

The registration fees are in accordance with Jordan Securities Commission Fees Regulation No. (24) of 1999, which is JD 0.003 on equity shares and JD 0.0002 on corporate bonds par value registered with a ceiling of JD 50,000 and JD 3,000 for shares and corporate bonds, respectively.

(13) Interest Income

This item consists of the following:

	2004 / Dinars	2003 / Dinars
Interest on bonds	-	5,227
Interest on bank deposits	79,908	25,738
Interest on employees housing loans	24,237	30,252
	104,145	61,217

(14) Other Revenues

This item consists of the following:

	2004 / Dinars	2003 / Dinars
IOSCO conference revenue	426,709	-
Courses revenue	1,572	-
Grants revenue	145,642	145,642
Penalties	114,150	29,550
Others	34,099	45,082
	722,172	220,274

(15) General and Administrative Expenses

This item consists of the following:

	2004 / Dinars	2003 / Dinars
Salaries, wages and other benefits	880,106	753,174
Contributions to saving fund	45,517	41,766
Social security	85,194	68,637
Medical expenses	90,000	80,000
Uniforms	6,139	5,522
Insurance	22,118	16,733
Studies, training and per diem allowances	124,201	110,336
Stationary and printings	19,012	18,100
Rent, cleaning and security	18,874	17,623
Maintenance	40,675	27,663
Telecommunications and services	91,771	79,693
Entertainment	8,819	13,567
Advertising	8,058	3,417
Donations	20,060	8,720
Books, newspapers, subscriptions	21,514	19,551
Professional fees	21,375	21,008
IOSCO conference expense	417,607	-
Others	26,496	33,906
	1,947,536	1,319,416

(16) Reserves

This account represents reserves established in accordance with article (29) of Financial Securities Law (76) of 2002. The movement on the reserve accounts during 2004 and 2003 is as follows:

	2004 / Dinars	2003 / Dinars
Net excess of revenues over expenses	3,471,864	1,046,625
Transfer to general reserve	583,231	(54,681)
Transfer to capital expenditure reserve	-	-
Transfer to capital market buildings reserve*	2,888,633	1,101,306
Total transfer to reserves	3,471,864	1,046,625

* This reserve was established in accordance with the law and for the purpose of establishing the Jordan Financial Center. This Center will be a professional convention for employees, brokerage companies as well as being a training and information center in accordance with the enhancement requirements of the foreign investment strategy in the Jordanian securities approved by the Council of Ministers on August 10, 2004.

(17) Litigation

The Commission is a defendant in a number of lawsuits raised in the normal course of business amounting to JD 5,349,167.

(18) Fair Value of Financial Instruments

The carrying amounts of financial instruments approximate their fair values due to the immediate or short term maturity of these financial instruments.

(19) Risk Management

a) Interest Rate Risk

This standard requires the disclosure of interest rate risks. Most of the financial instruments on the balance sheet are not subject to interest rate risk except for bank deposits and loans. Interest on deposits in Jordanian Dinars ranges between 1.5% - 3%.

b) Credit Risk

The Commission maintains its bank accounts and deposits in leading financial institutions.

c) Currency Risk

Most of the Commission's transactions are in Jordanian Dinars and some are in US Dollars. The exchange rate of the Jordanian Dinar is fixed against the US Dollar (US\$ 1.41 for 1 JD).



Annexes*

Annex 1

Annex 2

* Annex 2 includes names of parties who violated the provisions of the Securities Law No. 76 of 2002 and related regulations. Based on the provisions of the Law and international practice in this regard, these names were disclosed with the aim to enhance investors protection.

Annex (1)

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Annex (1)

Table (1)

Primary Market Issues of Existing Public Shareholding
Companies that Raised their Capital through Private Subscription

No.	Company	No. of Shares Offered	Value of Shares Offered (JD)	No. of Shares Covered	Value of Shares Covered (JD)	Date of JSC Approval
1	Jordan Press and Publication/ Ad-Dustour	500,000	2,500,000	500,000	2,500,000	16/12/2003
2	Salam International Transport and Trading	1,112,436	1,112,436	1,112,436	1,112,436	23/12/2003
3	Resources for Qualified Industrial Zones	9,400,000	9,400,000	9,400,000	9,400,000	19/01/2004
4	Union Chemical and Vegetable Oil Industries	1,724,074	1,163,750	1,724,074	1,163,750	19/01/2004
5	Union Chemical and Vegetable Oil Industries	725,962	490,000	725,962	490,000	16/03/2004
6	Al-Kindi Pharmaceutical Industrial	3,811,800	3,811,800	3,811,800	3,811,800	16/03/2004
7	Jordan Gulf Bank	20,000,000	20,000,000	20,000,000	20,000,000	29/03/2004
8	Jordan Gulf Bank	10,000,000	10,000,000	10,000,000	10,000,000	29/03/2004
9	Jordan Pharmacy Manufacturing	16,000,000	16,000,000	16,000,000	16,000,000	11/04/2004
10	Middle East Insurance	3,480,000	3,480,000	3,480,000	3,480,000	11/04/2004
11	Ad-Duloyl Industrial Park	10,900,000	10,900,000	10,900,000	10,900,000	26/04/2004
12	Jordan Press and Publication/ Ad-Dustour	300,000	1,500,000	105,972	529,860	26/04/2004
13	Royal Jordanian Airlines	10,000,000	10,000,000	10,000,000	10,000,000	09/06/2004
14	Arab Investors	3,500,000	7,000,000	3,395,929	6,791,858	09/06/2004
15	Jordan Press and Publication/ Ad-Dustour	194,028	970,140	194,028	970,140	23/06/2004
16	Société Générale Bank	6,508,653	3,474,124	6,508,653	3,474,124	23/06/2004
17	Intermediate Petro Chemicals IND.	3,400,000	1,322,600	3,400,000	1,322,600	23/06/2004
18	Arab International Hotels	2,400,000	4,080,000	1,696,500	2,884,050	23/06/2004
19	Jordan Industrial Resources	2,000,000	2,000,000	1,136,838	1,136,838	23/06/2004
20	Union Investment Corporation	5,500,000	5,500,000	5,339,373	5,339,373	23/06/2004
21	Petra Holding	400,000	400,000	400,000	400,000	19/07/2004
22	Jordan National Bank	10,588,741	14,824,237	10,588,741	14,824,237	19/07/2004
23	Real Estate Development	1,400,000	1,400,000	1,009,107	1,009,107	19/07/2004
24	Union Bank for Saving and Investment	5,000,000	5,000,000	4,924,416	4,924,416	19/07/2004
25	Al-Bilad Medical Services	2,000,000	2,000,000	1,784,086	1,784,086	19/07/2004

26	Arab International Hotels	703,500	1,195,950	703,500	1,195,950	05/08/2004
27	Jordan Industrial Resources	863,162	863,162	863,162	863,162	05/08/2004
28	Jordan Trade Facilities	1,850,000	1,850,000	1,850,000	1,850,000	05/08/2004
29	Middle East Complex for Eng. Electronics and Heavy Industries	1,419,297	1,972,823	1,419,297	1,972,823	05/08/2004
30	Middle East Complex for Eng. Electronics and Heavy Industries	3,580,703	4,977,177	3,580,703	4,977,177	05/08/2004
31	International Ceramic Industries	2,000,000	2,000,000	794,271	794,271	05/08/2004
32	Union Bank for Saving and Investment	75,584	321,232	75,584	321,232	22/09/2004
33	Union Investment Corporation	160,627	25,627	25,627	25,627	22/09/2004
			135,000	135,000	364,500	
34	United Arab Investors	104,071	351,760	104,071	351,760	22/09/2004
35	Real Estate Development	390,893	390,893	390,893	390,893	22/09/2004
36	Cairo-Amman Bank	5,000,000	5,000,000	4,960,034	4,960,034	22/09/2004
37	Woolen Industries	163,843	163,843	120,728	120,728	22/09/2004
38	Real Mix Concrete and Construction Supplies	1,000,000	1,500,000	971,568	1,457,352	22/09/2004
39	Al-Bilad Medical Services	215,914	647,742	215,914	647,742	13/10/2004
40	Jordan Investment and Finance Bank	2,773,236	2,773,236	2,681,830	2,681,830	13/10/2004
41	Ready Mix Concrete and Construction Supplies	28,568	54,279	28,568	54,279	10/11/2004
42	Resources for Investment and Development	10,000,000	10,000,000	1,000,000	1,000,000	13/12/2004
43	Cairo-Amman Bank	39,966	39,966	39,966	39,966	13/12/2004
44	El-Zay Ready Wear Manufacturing	2,500,000	2,500,000	1,000,000	1,000,000	13/12/2004
45	Woolen Industries	43,115	57,950	43,115	43,115	13/12/2004
46	International Ceramic Industries	1,205,729	1,205,729	1,205,729	1,205,729	18/12/2004
47	The Consultant and Investment Group	17,000,000	17,000,000	17,000,000	17,000,000	28/12/2004
	Total	18,1963,902	193,355,456	167,347,475	177,566,845	--

Table 2

Companies that Raised their Capital through
Capitalization of Voluntary Reserves, Retained Earnings or Issue Premium

No.	Company	Capital Before Increase (JD)	No. of Shares Issued	Value of Shares Issued (JD)	Capital After Increase (JD)	Date of JSC Approval	Date of Issuer Right
1	Jordan Kuwait Bank	25,000,000	6,250,000	6,250,000	31,250,000	03/03/2004	12/03/2004
2	Export and Finance Bank	34,500,000	7,000,000	7,000,000	41,500,000	11/04/2004	20/04/2004
3	Arab Banking Corporation (Jordan)	23,000,000	4,600,000	4,600,000	27,600,000	26/04/2004	05/05/2004
4	Arab Bank*	8,800,000	8,800,000	88,000,000	17,600,000	12/05/2004	21/05/2004
5	Arab Jordan Investment Bank	20,000,000	10,000,000	10,000,000	30,000,000	12/05/2004	21/05/2004
6	Bank of Jordan	36,500,000	4,745,000	4,745,000	41,245,000	09/06/2004	18/06/2004
7	Bank of Jordan	41,245,000	3,545,000	3,545,000	44,790,000	05/08/2004	14/08/2004
8	Cairo Amman Bank	20,000,000	5,000,000	5,000,000	25,000,000	22/09/2004	01/10/2004
9	Jordan International Insurance	4,600,000	736,000	736,000	5,336,000	16/03/2004	25/03/2004
10	Arab Orient Insurance	2,000,000	500,000	500,000	2,500,000	11/04/2004	20/04/2004
11	Jordan French Insurance	3,850,000	150,000	150,000	4,000,000	12/05/2004	21/05/2004
12	Delta Insurance	2,800,000	560,000	560,000	3,360,000	12/05/2004	21/05/2004
13	The United Insurance	2,000,000	1,000,000	1,000,000	3,000,000	09/06/2004	18/06/2004
14	Arab Life and Accident Insurance	3,564,000	436,000	436,000	4,000,000	09/06/2004	18/06/2004
15	Al-Watanieh for Financial Services Co.	2,500,000	500,000	500,000	3,000,000	11/04/2004	20/04/2004
16	Arab International Hotels	16,000,000	1,600,000	1,600,000	17,600,000	12/05/2004	21/05/2004
17	Jordan National Shipping Lines	1,200,000	300,000	300,000	1,500,000	12/05/2004	21/05/2004
18	Specialized Investment Compounds	9,161,465	2,838,535	2,838,535	12,000,000	12/05/2004	21/05/2004
19	Beit Al-mal Saving and Investment for Housing	6,000,000	3,600,000	3,600,000	9,600,000	09/06/2004	18/06/2004
20	Real-Estate Development	4,000,000	1,600,000	1,600,000	5,600,000	19/07/2004	28/07/2004
21	Jordan Electric Power	40,000,000	5,000,000	5,000,000	45,000,000	22/09/2004	01/10/2004
22	Jordan New Cable	8,000,000	1,760,000	1,760,000	9,760,000	16/03/2004	25/03/2004
23	Union Advanced Industries	2,436,646	563,354	563,354	3,000,000	16/03/2004	25/03/2004
24	The Public Mining	1,000,000	500,000	500,000	1,500,000	26/04/2004	05/05/2004
25	The Union Tobacco and Cigarette Industries	7,500,000	2,500,000	2,500,000	10,000,000	26/04/2004	05/05/2004
26	Middle East Complex for ENG. Electronics and Heavy Industries	31,764,458	3,235,542	3,235,542	35,000,000	09/06/2004	18/06/2004
27	Jordan Ceramic Industries	5,000,000	2,500,000	2,500,000	7,500,000	09/06/2004	18/06/2004

28	Jordan Chemical Industries	1,363,351	272,671	272,671	1,636,022	09/06/2004	18/06/2004
29	National Chlorine Industries	7,200,000	1,800,000	1,800,000	9,000,000	23/06/2004	02/07/2004
Total		370,984,920	81,892,102	161,092,102	452,877,022	---	---

* Nominal Value JD 10

Table 3

Companies that Issued Bonds and Short Term Securities

No.	Company	No. of Bonds	Nominal Value (JD)	Issuance Date	Maturity Date	Interest
1	Phosphate Mines (JD)	5,700	28,500,000			5%
2	Phosphate Mines (\$)	8,051	28,500,000	11/02/2004	11/02/2007	LIBOR for 6 months + 1.75
3	Jordan Mortgage Refinance / Corporate Bonds/Amended	300	3,000,000	14/06/2004	14/06/2007	3.75%
4	Jordan Mortgage Refinance / Corporate Bonds	5,000	5,000,000	11/05/2004	11/05/2009	4.60%
5	Jordan Mortgage Refinance / Corporate Bonds	500	5,000,000	03/06/2004	03/06/2007	3.25%
6	Jordan Mortgage Refinance/Amended Prospectus/Securities	500	5,000,000	03/06/2004	03/06/2005	2.65%
		250	2,500,000	03/06/2004	03/12/2004	2.400%
7	Jordan Mortgage Refinance/Securities	250	2,500,000	07/05/2004	10/05/2004	2.750%
8	Jordan Mortgage Refinance /Re – offer	300	3,000,000	20/07/2004	20/07/2007	4.350%
9	Jordan Mortgage Refinance/Re-offer	300	3,000,000	28/07/2004	28/07/2007	5.413%
10	Royal Jordanian	6,759	33,795,000	08/09/2004	08/09/2009	*
11	Royal Jordanian (\$)	1,750	6,212,500			*
12	Jordan Mortgage Refinance/Corporate Bonds / without prospectus and short term	5,000	5,000,000	24/10/2004	24/04/2005	2.850%
		5,000	5,000,000			3.040%
13	Jordan Mortgage Refinance/Corporate Bonds/ Amended Prospectus/Re-offer	300	3,000,000	25/11/2004	25/11/2005	3.380%
		200	2,000,000	25/11/2004	25/11/2005	3.450%
		200	2,000,000	25/11/2004	25/11/2005	3.250%
14	Jordan Mortgage Refinance/Corporate Bonds	100	1,000,000	25/11/2004	27/11/2005	3.500%
		100	1,000,000	25/11/2004	25/11/2005	3.400%
15	Middle East Complex for Eng. Electronics and Heavy Industries	8,000	28,400,000	21/12/2004	21/12/2009	6.000%
16	Zara for Investment	9,000	45,000,000	12/12/2004	12/12/2009	*
17	Ad-Dulayl Industrial Park	800	4,000,000	30/12/2004	30/12/2009	7.000%
Total		58,360	222,407,500	--	--	--

Table 4

Bonds Registered with the JSC Issued or Guaranteed
by the Government through the Central Bank of Jordan

No.	Issuing Party	Issuance No.	Nominal Value (JD)	Issuance Date	Maturity Date	Interest
1	Treasury Bonds – Issue No.5	5	100,000,000	28/12/2004	28/12/2008	4.58%
2	Treasury Bonds – Issue No.1	1	100,000,000	06/06/2004	06/06/2009	5.47%
3	Water Authority/ Issue No.21	21	13,000,000	08/05/2004	08/05/2007	4.75%
4	Treasury Bonds/ Issue No.2	2	100,000,000	18/08/2004	18/08/2011	7.05%
5	Water Authority/ Issue No. 20	20	17,000,000	17/06/2004	17/06/2004	4.64%
Total		–	330,000,000	–	–	–

Table 5

Primary Issues of Companies Resulting from
Changing their Legal Status to Public Shareholding Companies

No.	Company	Authorized Capital	Capital Subscribed by Founders (JD)	No. and Value of Shares Offered (JD)	No. and Value of Shares Covered (JD)	Subscribed Capital after Offering (JD)	Approval of the JSC
1	East Real Estate	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	11/04/2004
2	First National Veg. Oil IND.	3,000,000	2,988,658	11,342	11,342	3,000,000	23/06/2004
3	Isra' Education	15,000,000	15,000,000	0	0	15,000,000	22/09/2004
4	Bindar Trading and Investment Co.	1,000,000	1,000,000	0	0	1,000,000	22/09/2004
5	Afia International – Jordan	8,000,000	8,000,000	0	0	8,000,000	10/11/2004
Total		29,500,000	29,488,658	2,511,342	2,511,342	29,500,000	

Annex (2)

Table 1

Types of Violations and Measures Taken against Violators

No.	Type of Violation	No. of Violations	Measures Taken
1	Companies that failed to disclose information of material and important events within the specified period	10	In 7 violations, fines were imposed, and the violations were recorded in the JSC records In 1 violation, a fine was imposed, the violation was recorded in the JSC records, and the violating company was ordered to comply with the Law In 1 violation, the company was ordered to comply with the Law 1 violation was recorded in the JSC records and the company was warned
2	Insiders who failed to disclose their dealings in the company's shares within the specified period	33	In 22 violations, fines were imposed In 9 violations, fines were imposed, and the violations were recorded in the JSC records 2 violations were recorded in the JSC records
3	Companies that failed to submit to the JSC their preliminary results within the specified period	57	In 40 violations, fines were imposed, and the violations were recorded in the JSC records 14 violations were recorded in the JSC records In 2 violations, the companies were ordered to comply with the Law In 1 violation, a fine was imposed, and the violation was recorded in the JSC records
4	Companies that Failed to submit to the JSC their semi-annual reports within the specified period	44	In 43 violations, fines were imposed, and the violations were recorded in the JSC records In 1 violation, a fine was imposed
5	Companies that failed to disclose within the specified period, data relevant to the transitional period resulted from the changing of their fiscal year	2	In 2 violations, fines were imposed and the violations were recorded in the JSC records
6	Companies that failed to submit to the JSC their annual reports within the specified period	64	In 63 violations, fines were imposed and the violations were recorded in the JSC records One violation was recorded in the JSC records
7	Companies that failed to include their annual reports all information required by the Disclosure Instructions	169	127 violations were recorded in the JSC records, In 42 violations, fines were imposed and the violations were recorded in the JSC records
8	Auditors that failed to inform the JSC that they declined to audit the accounts of an issuer	1	a fine was imposed and the violation was recorded in the JSC records
9	Companies that issued securities without the approval of the JSC	2	Fines were imposed, and the violations were recorded in the JSC records
10	Investment trustees who failed to inform the JSC of the violations committed by the investment managers	2	Fines were imposed, and the violations were recorded in the JSC records

11	Parties that failed to disclose trading by parties who own 5% or more of securities of one issuer	3	Fines were imposed, and the violations were recorded in the JSC records
12	Parties that disclosed incorrect or misleading information in documents submitted to the JSC	1	A fine was imposed, and the violation was recorded in the JSC records
13	Companies that issued securities without registering them with the JSC	2	Fines were imposed, and the violations were recorded in the JSC records
14	Companies that failed to inform the JSC of the reasons of auditors' reservations on their annual reports	4	Fines were imposed, and the violations were recorded in the JSC records
15	Financial services companies that failed to submit their semi-annual reports to the JSC, within the specified period	2	Fines were imposed, and the violations were recorded in the JSC records
16	Failing to submit to the JSC, copies of their agreements with banks	1	A fine was imposed, the violation was recorded in the JSC records, and the violating company was ordered to comply with the Law
17	Parties that effected transactions in securities	10	In 4 violations, fines were imposed, and the violations were recorded in the JSC records In 5 violations, the violations were recorded in the JSC records, and the violating parties were ordered to comply with the Law 1 violation was recorded in the JSC records
18	Parties that Traded in securities or influenced others to trade on the basis of inside information	1	The violating party was ordered to comply with the Law, and the violation was recorded in the JSC records
19	Financial services companies that Failed to observe the interests of their clients in conducting cross order transactions	3	In 2 violations, fines were imposed, and the violations were recorded in the JSC records In 1 violation, the violating company was ordered to comply with Law
20	Financial services companies that sold securities without verifying their ownership	8	In 6 violations, fines were imposed, and the violations were recorded in the JSC records 2 violations were recorded in the JSC records
21	Financial services companies that failed to submit data which reflect the real status of the company, and failed to keep records in accordance with the accredited accounting Standards	3	In 2 violations, fines were imposed, and the violations were recorded in the JSC records 1 violation was recorded in the JSC records
22	Financial services companies that were found to have unsigned clients identification notifications.	1	A fine was imposed, and the violation was recorded in the JSC records
23	Financial services companies that failed to keep sufficient liquid assets to cover short- term liabilities	6	In 4 violations fines were imposed, and the violations were recorded in the JSC records In 2 violations, fines were imposed, the violations were recorded in the JSC records, and the violating companies were ordered to comply with the Law
24	Financial services companies that violated the Financial Adequacy Instructions by allowing clients accounts receivables to exceed 200% of owners equity	3	In 2 violations, fines were imposed and the violations were recorded in the JSC records In 1 violation, a fine was imposed, the violation was recorded in the JSC records, and the violating company was ordered to comply with the Law
25	Financial services companies that violated Capital Adequacy Instructions by allowing total Broker's liabilities to exceed 250% of owners equity	2	Fines were imposed, the violations were recorded in the in JSC records, and the violating companies were ordered to comply with the Law
26	Financial services companies that charged their clients commissions for the sale of shares without balance	2	Fines were imposed, and the violations were recorded in the in JSC records

27	Financial services companies that failed to keep the adjusted owners equity of not less than 25% of the annual expenses of the previous year	3	In 2 violations, fines were imposed, and the violations were recorded in the JSC records In 1 violation, a fine was imposed, the violation was recorded in the JSC records, and the violating company was ordered to comply with the Law
28	Financial services companies that violated Financial Adequacy Instructions by allowing total partners' withdrawals to exceed 20% of paid-up capital	2	Fines were imposed, and the violations were recorded in the JSC records
29	Financial services companies that violated Capital Adequacy Instructions by allowing net shareholders' equity to drop below 75% of the minimum capital	1	A fine was imposed, and the violation was recorded in the JSC records
30	Financial services companies that failed to submit to the ASE a trial balance of accounts	1	A fine was imposed, and the violation was recorded in the JSC records
31	Financial services companies that failed to keep complete authorizations from clients, or that kept blank authorizations signed by clients	2	Fines were imposed, and the violations were recorded in the JSC records
32	Financial services companies that failed to certify the validity of clients signatures and verify their identities and capacity for contracting	1	A fine was imposed, and the violation was recorded in the JSC records
33	Employees of financial services companies who traded through other brokerage firms.	1	The violation was recorded in the JSC records, and the violating company was ordered to comply with the Law
34	Investment funds that invested more than 5% of their assets in securities issued by a single issuer	1	A fine was imposed, and the violation was recorded in the JSC records
35	Financial brokerage companies that failed to register in its buy and sell authorizations record	1	A fine was imposed, and the violation was recorded in the JSC records
36	Financial services companies that failed to keep in the clients files, copies of the clients identification notifications and the clients signatures forms	3	Fines were imposed, and the violations were recorded in the JSC records
37	Financial services companies that violated the Margin Financing Instructions	2	Fines were imposed, and the violations were recorded in the JSC records
38	Financial services companies that charged commissions below the permitted level	2	Fines were imposed, and the violations were recorded in the JSC records
39	Investment managers who managed the mutual funds contrary to the funds investment policies	1	A fine was imposed, and the violation was recorded in the JSC records
40	Investment trustee who failed to monitor and evaluate the management of mutual funds investments	1	A fine was imposed, and the violation was recorded in the JSC records
41	Parties that performed the activity of investment trustee without having a registered investment trustee	1	A fine was imposed, and the violation was recorded in the JSC records
42	Parties that failed to inform the JSC of the termination of employment of their registered persons and reasons for the employment termination	2	In 1 violation, a fine was imposed, and the violation was recorded in the JSC records 1 violation was recorded in the JSC records
43	Brokerage firms that failed to exclude the value of suspended shares for the purpose of liquidity calculation	1	A fine was imposed, the violation was recorded in the JSC records, and the violating company was ordered to comply with the Law
44	Financial services companies that performed financial services activities without a license from JSC	1	The violation was recorded in the JSC records, and the violating company was ordered to comply with the Law
45	Financial services companies that registered cash withdrawals by partners as accounts receivables	1	The violation was recorded in the JSC records, and the violating company was ordered to comply with the Law

Table 2

Companies that Failed to Disclose Material Information
and Important Events that Affect the Prices of Securities

No.	Violating Party	Measures Taken			Level of Compliance
		Fines (JD)	Recorded in JSC Records	Compliance with the Law, Regulations, and Instructions	
1	Union Bank for Saving and Investment	2000	Recorded	---	Fine Paid
2	International Petro Chemical IND	500	Recorded	---	In Process
3	Jordanian Job Opportunities	500	Recorded	---	In Process
4	Jordan Petroleum Refinery	500	Recorded	---	In Process
5	Woolen Industries	---	---	Warning to Comply with Instructions	---
6	Falcon for Investment and Financial Services	---	Recorded	Warning not to Repeat Violation	---
7	Jordan Industrial Resources	500	Recorded	---	In Process
8	Jordan Steel	500	Recorded	---	In Process
9	Woolen Industries	500	Recorded	Compliance with regulations, and Instructions	In Process
10	Arab East Investment	500	Recorded	---	Fine Paid

Table 3

Insiders that Failed to Disclose their Dealings
in the Company's Shares within the Specified Period

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Jordan National Bank	500	Recorded	Fine Paid
2	Al- Tawfiq for Portfolios	---	Recorded	---
3	Al-Ameen Bank – Bahrain	---	Recorded	---
4	Philadelphia Investment Bank	500	Recorded	Fine Paid
5	Khaled Abed Al-Karim Dahleh	500	---	Fine Paid
6	Middle East Invest Holding	500	---	In Process
7	Abd- Al-Rahman Tawfiq Al-Mougrabi	250	---	In Process
8	Jordan International Industries	250	Recorded	Fine Paid
9	Jordan French Insurance	500	Recorded	Fine Paid
10	Abd Al-Kaleq Moh'd Abu Al-Hajj	500	---	In Process
11	Waled Abd Al Kaleq Moh'd Abu Al-Hajj	500	---	In Process
12	Jordan International Insurance	500	Recorded	In Process
13	Tareq Rajai Halem Al-Salfeti	500	---	In Process
14	Mousa Abd Al-azez Shhadeh	500	---	In Process
15	Jordan Construction Material Co.	500	Recorded	In Process
16	Othman Mohammed Ali Budir	500	---	In Process
17	Engineers Association Provident/ Retirement Fund	500	Recorded	In Process
18	Mahmoud Abdalrazaq Abu Shairah	500	---	Fine Paid
19	Basem Kalil Al-Salem	250	---	Fine Paid
20	Thibian Company for Industry and Trade	500	---	Fine Paid
21	Youseif Hysat	500	---	Fine Paid
22	Mohammad Sameih Barakat	250	---	Fine Paid
23	Rakan Nouman Irshidat	250	---	Fine Paid
24	Nabil Al-Saraf	300	---	Fine Paid
25	Younis Al – Qwasmi	300	---	Fine Paid
26	Arab Bank	300	Recorded	Fine Paid
27	Fathi Fa'eq Dawar	500	---	Fine Paid

28	Zuhair Saleh Owdeh Al-Kwri	500	---	In Process
29	Fwaz Abd-Alkader Al-wazne	500	---	In Process
30	Farouq Ahmad Zeter	500	---	In Process
31	Sawsan Hadad	250	---	Fine Paid
32	Jordan Investment and Finance Bank	500	Recorded	In Process
33	Mohammad Taher Darwesh Al-Masri	500	---	In Process

Table 4

Companies that Failed to Submit to the JSC
their Preliminary Results within the Specified Period

No.	Violating Party	Measures Taken			Level of Compliance
		Fines (JD)	Recorded in JSC Records	Compliance with the Law, Regulations, and Instructions	
1	Arab Bank	---	Recorded	Ordered not to Repeat Violation	---
2	Bank of Jordan	---	Recorded	Ordered not to Repeat Violation	---
3	Union Bank for Saving and Investment	---	Recorded	---	---
4	Export and Finance Bank	500	Recorded	---	Fine Paid
5	Jordan Insurance	250	Recorded	---	Fine Paid
6	Jerusalem Insurance	---	Recorded	---	---
7	Middle East Insurance	500	Recorded	---	Fine Paid
8	Al-Nisr Al-Arabi Insurance	---	Recorded	---	---
9	The Holy land Insurance	400	Recorded	---	In Process
10	Euro Arab Insurance Group	750	Recorded	---	In Process
11	Arab German Insurance	650	Recorded	---	Fine Paid
12	Gerasa Insurance	---	Recorded	---	---
13	Arab International Hotels/ Marriott	---	Recorded	---	---
14	Irbid District Electricity	400	Recorded	---	Fine Paid
15	Resources Investment	---	Recorded	---	---
16	Al-Ahlia Commercial Centers	250	Recorded	---	Fine Paid
17	Jordan Express Tourist Transport	250	Recorded	---	Fine Paid
18	Specialized Investment Compounds	400	Recorded	---	Fine Paid
19	United Arab Investors	250	Recorded	---	Fine Paid
20	Specialized Trading and Investment	400	Recorded	---	Fine Paid
21	Jordan Central	---	Recorded	---	---
22	Century Investment Group	250	Recorded	---	In Process
23	The Consultant and Investment Group	250	Recorded	---	Fine Paid
24	Arab Real Estate Investment	---	Recorded	---	---
25	Amman for Development and Investment	750	Recorded	---	In Process
26	Jordan Mortgage Refinance	250	Recorded	---	Fine Paid
27	Jordan Telecom	---	Recorded	---	---

28	Petra Holding	750	Recorded	---	Fine Paid
29	Investors and East Arab for Industrial and Real Estate Investments	750	Recorded	---	Fine Paid
30	Jordan Paper and Card Board Factories	250	Recorded	---	Fine Paid
31	The Public Mining	---	Recorded	---	---
32	Jordan Ceramic Industries	250	Recorded	---	Fine Paid
33	Jordan Tanning	---	Recorded	---	---
34	Jordan Phosphate Mines	500	Recorded	---	Fine Paid
35	The Industrial Commercial and Agricultural	250	Recorded	---	Fine Paid
36	Arab Potash	550	Recorded	---	Fine Paid
37	Intermediate Petro Chemicals IND.	500	Recorded	---	Fine Paid
38	Jordan Sulpho Chemicals	250	Recorded	---	In Process
39	General Investment	250	Recorded	---	Fine Paid
40	National Textile and Plastic Industries	500	Recorded	---	In Process
41	Arab Food and Medical Appliances	750	Recorded	---	In Process
42	Arab Electrical Industries	400	Recorded	---	In Process
43	Middle East Pharm. and Chemical IND. and Medical Appliances	---	Recorded	---	---
44	United Glass Industries (under liquidation)	400	Recorded	---	Fine Paid
45	International Ceramic Industries	---	Recorded	---	---
46	International Textile Manufacturing	400	Recorded	---	In Process
47	Delta Food Industries (under liquidation)	750	Recorded	---	In Process
48	Arab Press Work	750	Recorded	---	Fine Paid
49	Nutri Dar.	250	Recorded	Compliance with the Law	Fine Paid
50	General Engineering Industries	---	Recorded	---	---
51	Modern Food IND. and VEG. Oil	750	Recorded	---	In Process
52	United Textile Group	250	Recorded	---	In Process
53	Amana for Agr. and Industrial Investment	550	Recorded	---	In Process
54	Jordan Magnesia	750	Recorded	---	In Process
55	Al-Kindi Pharmaceutical	500	Recorded	---	Fine Paid
56	Philadelphia Investment Bank	500	Recorded	---	Fine Paid
57	Ittihad Schools	500	Recorded	---	Fine Paid

Table 5

Companies that Failed to submit to the JSC
their Semi Annual Reports within the specified period

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Jordan National Bank	750	Recorded	Fine Paid
2	Cairo-Amman Bank	500	Recorded	Fine Paid
3	Jordan Commercial Bank (Previously Jordan Gulf Bank)	500	Recorded	In Process
4	Philadelphia Investment Bank	1250	Recorded	In Process
5	Jordan Investment and Finance Bank	500	Recorded	Fine Paid
6	Islamic International Arab Bank	500	Recorded	Fine Paid
7	Jordan Insurance	1000	Recorded	In Process
8	Arabian Seas Insurance	1000	Recorded	In Process
9	Euro Arab Insurance Group	1500	Recorded	In Process
10	Arab German Insurance	500	Recorded	In Process
11	Union Land Development Corporation	750	Recorded	In Process
12	Union Land Development Corporation	750	Recorded	In Process
13	Specialized Investment Compounds	750	Recorded	In Process
14	Al-Tajamouat for Catering and Housing	750	Recorded	In Process
15	The Consultant and Investment Group	1000	Recorded	Fine Paid
16	Amman for Development and Investment	1500	Recorded	In Process
17	Investors and East Arab for Industrial and Real Estate Investments	750	Recorded	In Process
18	Jordan Spinning and Wearing	1250	Recorded	In Process
19	Jordan Phosphate Mines	750	Recorded	Fine Paid
20	Jordan Cement Factories	500	Recorded	In Process
21	The Industrial Commercial and Agricultural	750	Recorded	Fine Paid
22	Jordan Dairy	500	Recorded	Fine Paid
23	Arab Potash	1000	Recorded	Fine Paid
24	Jordan Petroleum Refinery	750	Recorded	In Process
25	Arab Paper Converting and Trading	1500	Recorded	In Process
26	Jordan Poultry Processing and Marketing	1000	Recorded	Fine Paid
27	National Textile and Plastic Industries	1500	Recorded	In Process
28	National Multi Engineering Industries /NAMI Co.	500	Recorded	In Process

29	El-Zay Ready Wear Manufacturing	1500	Recorded	Fine Paid
30	Arab Food and Medical Appliances	750	Recorded	In Process
31	Arab Engineering Industries	750	Recorded	In Process
32	International Textile Manufacturing	1500	Recorded	In Process
33	Arab Press Work	750	Recorded	In Process
34	Ready Mix Concrete and Construction Supplies	500	Recorded	In Process
35	General Engineering Industries	1500	Recorded	In Process
36	Investments and Integrated Industries	500	Recorded	In Process
37	Modern Food IND. and VEG. Oil	1250	Recorded	In Process
38	United Textile Group	1000	Recorded	In Process
39	Jordan Magnesita	1500	Recorded	In Process
40	Al-Kindi Pharmaceutical Industrial	750	Recorded	In Process
41	National Aluminum Industrial	500	Recorded	In Process
42	Jordan Investment and Tourism Transport (ALFA)	500	Recorded	Fine Paid
43	El-Zay Ready Wear Manufacturing	500	Recorded	Fine Paid
44	Al-Kindi Pharmaceutical Industrial*	500	---	Fine Paid

* The violation was committed in 2003, and the action was taken in 2004.

Table 6

Companies that Failed to Disclose within the Specified Period,
the Transitional Period Data Resulting from the Changing of their Fiscal Year

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Al-Sharq Investment Projects	500	Recorded	Fine Paid
2	Ittihad Schools	500	Recorded	Fine Paid

Table 7

Companies that Failed to Provide the JSC
with their Annual Reports within the Specified Period

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Jordan National Bank	1000	Recorded	Fine Paid
2	Bank of Jordan	500	Recorded	Fine Paid
3	Cairo Amman Bank	800	Recorded	Fine Paid
4	Jordan Commercial Bank (previously Jordan –Gulf Bank)	1300	Recorded	Fine Paid
5	Philadelphia Investment Bank	1000	Recorded	Fine Paid
6	Jordan Investment Finance Bank	800	Recorded	Fine Paid
7	Al-Nisr Al-Arabi Insurance	800	Recorded	Fine Paid
8	Arabian Seas Insurance	500	Recorded	Fine Paid
9	Philadelphia Insurance	500	Recorded	In Process
10	The Holy Land Insurance	800	Recorded	Fine Paid
11	Arab Life and Accident Insurance	500	Recorded	Fine Paid
12	Euro Arab Insurance Group	1500	Recorded	In Process
13	Arab German Insurance	1300	Recorded	Fine Paid
14	Arab American Insurance	800	Recorded	Fine Paid
15	Union Land Development Corporation (merge of United Middle East and Commodore Hotels and Union Land Development)	1000	Recorded	Fine Paid
16	Al-Zarka Education and Investment	500	Recorded	Fine Paid
17	Al Daman Investments	800	Recorded	In Process
18	Jordan Express Tourist Transport	800	Recorded	Fine Paid
19	Specialized Investment Compounds	1300	Recorded	Fine Paid
20	Jordan Central Company	1500	Recorded	Fine Paid
21	Jordan Specialized Investments	500	Recorded	Fine Paid
22	Petra Tourist Transport	500	Recorded	Fine Paid
23	Real Estate Development	500	Recorded	Fine Paid
24	Century Investment Group	1000	Recorded	Fine Paid
25	Transport and Investment Barter (previously Al-Salam Co. for Investment)	500	Recorded	Fine Paid
26	Travertine Co. (merge of Mineral Investment (Holding) and Travertine)	500	Recorded	Fine Paid

27	Amman for Development and Investment	1000	Recorded	In Process
28	Mediterranean Tourism Investment	500	Recorded	In Process
29	Al-Bilad Medical Services	500	Recorded	Fine Paid
30	Jordan Trust for Investment	1300	Recorded	Fine Paid
31	Jordanian Job Opportunities	800	Recorded	In Process
32	Petra Holding	1300	Recorded	Fine Paid
33	Jordan Projects for Tourism Development	800	Recorded	Fine Paid
34	Investors and East Arab for Industrial and Real Estate Investments	1300	Recorded	In Process
35	Jordan Tobacco and Cigarettes	1500	Recorded	Fine Paid
36	Jordan Phosphate Mines	500	Recorded	Fine Paid
37	Jordan Cement Factories	---	Recorded	---
38	The Industrial Commercial and Agricultural	500	Recorded	Fine Paid
39	Arab Potash	1100	Recorded	Fine Paid
40	Jordan Petroleum Refinery	800	Recorded	Fine Paid
41	Arab Aluminum Industries / ARAL	500	Recorded	Fine Paid
42	Arab Paper Converting and Trading	1500	Recorded	In Process
43	Jordan Industries and Match/(JIMCO)	500	Recorded	Fine Paid
44	Rum Aladdin Industries	500	Recorded	Fine Paid
45	Intermediate Petrochemical IND	800	Recorded	Fine Paid
46	Jordan RockWool Industries	500	Recorded	Fine Paid
47	Jordan Medical Corporation	800	Recorded	In Process
48	Arab Engineering Industries	1300	Recorded	In Process
49	United Glass Industries (under liquidation)	800	Recorded	In Process
50	International Textile Manufacturing	1500	Recorded	In Process
51	Advanced Pharmaceutical Industries	800	Recorded	Fine Paid
52	National Poultry	1300	Recorded	Fine Paid
53	Comprehensive Multiple Projects Co.(previously International for Optical and Hearing Aid Industries)	1300	Recorded	In Process
54	Arab Press Work	1000	Recorded	Fine Paid
55	General Engineering Industries	1000	Recorded	In Process
56	Investments and Integrated Industries	1300	Recorded	Fine Paid
57	Modern Food IND. and VEG. Oil	1300	Recorded	In Process
58	Jordan Magnesia	1500	Recorded	In Process
59	Al-Kindi Pharmaceutical Industries	1000	Recorded	Fine Paid

60	Jordan Vegetable Oil Industries Co.	500	Recorded	Fine Paid
61	Travertine Co.	500	Recorded	Fine Paid
62	Arab Food and Medical Appliances	1500	Recorded	In Process
63	El-Zay Ready Wear Manufacturing	500	Recorded	In Process
64	Ittihad Schools *	500	Recorded	Fine Paid

* Failing to submit its annual report of 2003 to the JSC

Table 8
Companies that Failed to Include their Annual Reports
all Information Required by the Disclosure Instructions

No.	Violating Party	Measures Taken			Level of Compliance
		Fines (JD)	Recorded in JSC Records	Compliance with the Law, Regulations, and Instructions	
1	Arab Bank	---	Recorded	Warning to comply with the Law	---
2	Jordan Islamic Bank for Finance and Investment	---	Recorded	Warning to comply with the Law	---
3	Jordan National Bank	---	Recorded	Warning to comply with the Law	---
4	Bank of Jordan	---	Recorded	Warning to comply with the Law	---
5	Jordan Kuwaiti Bank	250	Recorded	---	Fine Paid
6	Cairo Amman Bank	---	Recorded	Warning to comply with the Law	---
7	Industrial Development Bank	---	Recorded	Warning to comply with the Law	---
8	Jordan Commercial Bank (Previously Jordan – Gulf – Bank)	---	Recorded	Warning to comply with the Law	---
9	Arab Jordan Investment Bank	---	Recorded	Warning to comply with the Law	---
10	Union Bank for Saving and Investment	250	Recorded	---	Fine Paid
11	Societies General De Banquet – Jordan	500	Recorded	In Process	
12	Arab Banking Corporation / Jordan	---	Recorded	Warning to comply with the Law	---
13	Jordan Investment and Finance Bank	---	Recorded	Warning to comply with the Law	---
14	Beit Al-mal Saving and Investment Housing	---	Recorded	Warning to comply with the Law	---
15	Export and Finance Bank	---	Recorded	Warning to comply with the Law	---
16	Islamic International Arab Bank	250	Recorded		Fine Paid
17	Jordan French Insurance	---	Recorded	Warning to comply with the Law	---
18	Jordan Insurance	500	Recorded	---	In Process
19	The National Ahlia Insurance	---	Recorded	Warning to comply with the Law	---
20	General Arabia Insurance	---	Recorded	Warning to comply with the Law	---

21	Jerusalem Insurance	---	Recorded	Warning to comply with the Law	---
22	Middle East Insurance	250	Recorded	---	Fine Paid
23	United Insurance	---	Recorded	Warning to comply with the Law	---
24	Al-Nisr Al-Arabi Insurance	---	Recorded	Warning to comply with the Law	---
25	Arab Union International Insurance	---	Recorded	Warning to comply with the Law	---
26	Arabian Seas Insurance	500	Recorded	---	In Process
27	Oasis Insurance	---	Recorded	Warning to comply with the Law	---
28	Philadelphia Insurance	250	Recorded	---	In Process
29	Arab Life and Accident Insurance	---	Recorded	Warning to comply with the Law	---
30	Yarmouk Insurance and Reinsurance	---	Recorded	Warning to comply with the Law	---
31	Delta Insurance	---	Recorded	Warning to comply with the Law	---
32	Arab Assurers	---	Recorded	Warning to comply with the Law	---
33	Jordan International Insurance	---	Recorded	Warning to comply with the Law	---
34	Arab German Insurance	250	Recorded	---	In Process
35	The Islamic Insurance	---	Recorded	Warning to comply with the Law	---
36	Arab American Insurance	---	Recorded	Warning to comply with the Law	---
37	Arab Orient Insurance	---	Recorded	Warning to comply with the Law	---
38	Arab Jordanian Insurance Groups	---	Recorded	Warning to comply with the Law	---
39	Gerasa Insurance	---	Recorded	Warning to comply with the Law	---
40	Jordan Electric Power	---	Recorded	Warning to comply with the Law	---
41	Arab International Hotels	---	Recorded	Warning to comply with the Law	---
42	Vehicles Owners Federation	---	Recorded	Warning to comply with the Law	---
43	Jordan National Shipping	---	Recorded	Warning to comply with the Law	---
44	INMA Investment and Financial Advances	---	Recorded	Warning to comply with the Law	---
45	Union Land Development Corporation (merge of United Middle East and Commodore Hotels and Union Land Development)	500	Recorded	---	In Process
46	Real Estate Investment /AQARCO	---	Recorded	Warning to comply with the Law	---
47	Union Land Development Corporation	---	Recorded	Warning to comply with the Law	---
48	Jordan Hotels and Tourism	---	Recorded	Warning to comply with the Law	---
49	Jordan Himmah Minerals	---	Recorded	Warning to comply with the Law	---
50	Irbid District Electricity	---	Recorded	Warning to comply with the Law	---
51	Jordan Trade Facilities	500	Recorded	---	Fine Paid
52	National Portfolio Securities	---	Recorded	Warning to comply with the Law	---

53	Resources for Investment and Development	500	Recorded	---	In Process
54	Jordan International Trading Center	---	Recorded	Warning to comply with the Law	---
55	Jordan Press and Publishing / Ad- Dustour	---	Recorded	Warning to comply with the Law	---
56	Jordan Press Foundation / Al-Rai	500	Recorded	---	Fine Paid
57	The Arab International for Education and Investment	---	Recorded	Warning to comply with the Law	---
58	Al-Zarka Education and Investment	---	Recorded	Warning to comply with the Law	---
59	Al-Ahlia Commercial Centers	---	Recorded	Warning to comply with the Law	---
60	Aldaman Investments	250	Recorded	---	In Process
61	The Unified for Organizing Land Transport	---	Recorded	Warning to comply with the Law	---
62	Jordan Express Tourist Transport	---	Recorded	Warning to comply with the Law	---
63	Jordan Loan Guarantee Corporation	500	Recorded		In Process
64	Zara Investment Holding	---	Recorded	Warning to comply with the Law	---
65	Union Investment Corporation	---	Recorded	Warning to comply with the Law	---
66	Arab Financial Investment	---	Recorded	Warning to comply with the Law	---
67	United Arab – Investors	250	Recorded	---	In Process
68	Specialized Trading and Investment	---	Recorded	Warning to comply with the Law	---
69	Jordan Central Company	---	Recorded	Warning to comply with the Law	---
70	Arab East Investment	---	Recorded	Warning to comply with the Law	---
71	Jordan Specialized Investments	250	Recorded	---	Fine Paid
72	Al- Dawliya for Hotels and Malls	---	Recorded	Warning to comply with the Law	---
73	Petra Tourist Transport	---	Recorded	Warning to comply with the Law	---
74	Real Estate Development	---	Recorded	Warning to comply with the Law	---
75	Century Investment Group	---	Recorded	Warning to comply with the Law	---
76	International for Medical Investments	---	Recorded	Warning to comply with the Law	---
77	Transport Investment Barter Co.(previously Al-Salam Investment)	500	Recorded	---	Fine Paid
78	Al-Amin for Investment	---	Recorded	Warning to comply with the Law	---
79	Falcon for Investment and Financial Services	250	Recorded	---	Fine Paid
80	The Consultant and Investment Group	500	Recorded	---	Fine Paid
81	United Financial Investments	---	Recorded	Warning to comply with the Law	---
82	Arab Real Estate Development	---	Recorded	Warning to comply with the Law	---
83	Travertine Co.(merge of Mineral Investment(Holding) and Trevertine)	---	Recorded	Warning to comply with the Law	---

84	Batelco Jordan	---	Recorded	Warning to comply with the Law	---
85	Trust International Transport	---	Recorded	Warning to comply with the Law	---
86	Jordanian Duty Free Shops	---	Recorded	Warning to comply with the Law	---
87	Mediterranean Tourism Development	---	Recorded	Warning to comply with the Law	---
88	Al-Bilad Medical Services	---	Recorded	Warning to comply with the Law	---
89	Salam International Transport and Trading	---	Recorded	Warning to comply with the Law	---
90	Jordan Investment Trust	250	Recorded	---	Fine Paid
91	Jordan Telecom	---	Recorded	Warning to comply with the Law	---
92	Jordanian Job Opportunities	---	Recorded	Warning to comply with the Law	---
93	Petra Holding	500	Recorded	---	In Process
94	Jordan Projects for Tourism Development	500	Recorded	---	In Process
95	Royal Jordanian Air Academy	---	Recorded	Warning to comply with the Law	---
96	Investors and East Arab for Industrial and Real Estate Investments	250	Recorded	---	In Process
97	Al-Tajamout for Touristic Projects	---	Recorded	Warning to comply with the Law	---
98	Specialized Investment Compounds	---	Recorded	Warning to comply with the Law	---
99	Dar Al-Dawa Development and Investment Co.	---	Recorded	Warning to comply with the Law	---
100	Jordan Paper and Card Board Factories Co.	---	Recorded	Warning to comply with the Law	---
101	The Public Mining Co.	---	Recorded	Warning to comply with the Law	---
102	The Arab Chemical Detergents Industry Co.	250	Recorded	---	Fine Paid
103	The Jordan Worsted Mills Co.	---	Recorded	Warning to comply with the Law	---
104	Jordan Ceramic Industries Co.	---	Recorded	Warning to comply with the Law	---
105	National Steel Industry Co.	---	Recorded	Warning to comply with the Law	---
106	Jordan Tobacco and Cigarettes	---	Recorded	Warning to comply with the Law	---
107	Jordan Tanning Co.	500	Recorded	---	In Process
108	Jordan Phosphate Mines	250	Recorded	---	Fine Paid
109	Woolen Industries Co.	---	Recorded	Warning to comply with the Law	---
110	Jordan Cement Factories	500	Recorded	---	In Process
111	Attanqeeb Construction Material Manufacturing	---	Recorded	Warning to comply with the Law	---
112	The Industrial Commercial and Agricultural	---	Recorded	Warning to comply with the Law	---
113	Jordan Dairy Co.	---	Recorded	Warning to comply with the Law	---
114	Arab Potash Co.	---	Recorded	Warning to comply with the Law	---
115	Jordan Petroleum Refinery	---	Recorded	Warning to comply with the Law	---

116	Arab Al-Uminium Industry / ARAL	250	Recorded	---	Fine Paid
117	The Jordan Pipes Manufacturing	---	Recorded	Warning to comply with the Law	---
118	Universal Chemical Industries Co.	---	Recorded	Warning to comply with the Law	---
119	Jordan Industries and Match ((JIMCO)	---	Recorded	Warning to comply with the Law	---
120	Rum Al-Addin Industries	250	Recorded	---	In Process
121	Jordan Chemical Industries Co.	---	Recorded	Warning to comply with the Law	---
122	Intermediate Petro Chemicals IND.	250	Recorded	---	In Process
123	Jordan Rockwool Industries Co.	---	Recorded	Warning to comply with the Law	---
124	National Cable and Wire Manufacturing Co.	---	Recorded	Warning to comply with the Law	---
125	Arab Center for Pharm and Chemicals	---	Recorded	Warning to comply with the Law	---
126	Jordan Wood Industries (JWICO)	---	Recorded	Warning to comply with the Law	---
127	The Arab Pharmaceutical Manufacturing	---	Recorded	Warning to comply with the Law	---
128	Jordan Sulpho Chemicals	500	Recorded	---	In Process
129	Universal Modern Industries	---	Recorded	Warning to comply with the Law	---
130	General Investment Co.	---	Recorded	Warning to comply with the Law	---
131	Jordan Medical Corporation	---	Recorded	Warning to comply with the Law	---
132	Jordan Poultry Processing and Marketing	250	Recorded		Fine Paid
133	Jordan Industrial Resources Co.	---	Recorded	Warning to comply with the Law	---
134	Jordan Chlorine Industries	---	Recorded	Warning to comply with the Law	---
135	National Textile and Plastic Industries	500	Recorded	---	In Process
136	Jordan New Cables	500	Recorded	---	In Process
137	International Tobacco and Cigarettes	250	Recorded	---	Fine Paid
138	Arab Engineering Industries	250	Recorded	---	In Process
139	Union Chemical and Vegetable Oil Industries	---	Recorded	Warning to comply with the Law	---
140	Jordan Steel Co.	---	Recorded	Warning to comply with the Law	---
141	Arab El-Ectrical Industries	---	Recorded	Warning to comply with the Law	---
142	Middle East Pharm. and Chemical IND. and Medical Appliances	---	Recorded	Warning to comply with the Law	---
143	The Union Tobacco and Cigarette Industries	---	Recorded	Warning to comply with the Law	---
144	United Glass Industries	---	Recorded	Warning to comply with the Law	---
145	International Ceramic Industries	---	Recorded	Warning to comply with the Law	---
146	Advanced Pharmaceutical Industries	---	Recorded	Warning to comply with the Law	---
147	National Poultry	---	Recorded	Warning to comply with the Law	---

148	Comprehensive Multiple Projects Co. (Previously International for Optical and Hearing Aid Industries)	---	Recorded	Warning to comply with the Law	---
149	Arab Steel Pipes Manufacturing	---	Recorded	Warning to comply with the Law	---
150	National Aluminum Industrial	---	Recorded	Warning to comply with the Law	---
151	The Arab International Food Factories	---	Recorded	Warning to comply with the Law	---
152	Middle East Complex for ENG. Electronics and Heavy Industries	---	Recorded	Warning to comply with the Law	---
153	Nutri Dar	---	Recorded	Warning to comply with the Law	---
154	Union Advanced Industries	---	Recorded	Warning to comply with the Law	---
155	Al-Ekbal Printing and Packaging	---	Recorded	Warning to comply with the Law	---
156	Ready Mix Concrete and Construction Supplies	---	Recorded	Warning to comply with the Law	---
157	Investments and Integrated Industries	---	Recorded	Warning to comply with the Law	---
158	Modern Food IND. and VEG. Oil	500	Recorded	---	In Process
159	United Textile Group	---	Recorded	Warning to comply with the Law	---
160	Ad- Dulayl Industrial Park (Previously International Detergents Manufacturing)	---	Recorded	Warning to comply with the Law	---
161	Amana for AGR. and Industrial Investment	---	Recorded	Warning to comply with the Law	---
162	Jordan International Industries	250	Recorded	---	Fine Paid
163	International Silica Industries	250	Recorded	---	Fine Paid
164	Al-Janoub Filters Manufacturing	---	Recorded	Warning to comply with the Law	---
165	Al-Kindi Pharmaceutical Industries	---	Recorded	Warning to comply with the Law	---
166	Jordan Vegetable Oil Industries	---	Recorded	Warning to comply with the Law	---
167	Al-Zay Ready Wear Manufacturing	500	Recorded	---	In Process
168	Jordanian Expatriates Investment Holding	---	Recorded	Warning to comply with the Law	---
169	Travertine Co.	500	Recorded	---	In Process

Table 9

Auditors that Failed to Inform JSC that they Excused themselves from Auditing the Accounts of an Issuing Company

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	United Accountants	100	Recorded	Fine Paid

Table 10

Companies that Issued Securities
without the Approval of the JSC

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Petra Holding	2000	Recorded	In Process
2	The Consultant and Investment Group	2000	Recorded	In Process

Table 11

Investment Trustees that Failed to Inform the JSC
of the Violations Committed by the Investment Managers

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Jordan Kuwaiti Bank Co.	500	Recorded	In Process
2	Jordan Kuwaiti Bank Co.	500	Recorded	In Process

Table 12

Parties that Failed to Disclose their 5%
Ownership or More of Securities of a Single Issuer

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	The Housing Bank for Trade and Finance	500	Recorded	In Process
2	The Housing Bank for Trade and Finance	500	Recorded	In Process
3	Export and Finance Bank Co.	200	Recorded	Fine Paid

Table 13

Companies that Disclosed Incorrect
Data in Documents Submitted to the JSC

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Petra Holding	500	Recorded	In Process

Table 14

Companies that Issued Securities
without Registering them with the JSC

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Al-Kindi Pharmaceutical Industrial	2000	---	Fine Paid
2	The Consultant and Investment Group	2000	---	In Process

Table 15

Companies that Failed to Inform the JSC
of the Reasons of Auditors Reservations on their Annual Data

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Jordan Tobacco and Cigarettes Co.	500	Recorded	Fine Paid
2	General Investments	500	Recorded	Fine Paid
3	United Glass Industries (under liquidation)	500	Recorded	Fine Paid
4	International Textile Manufacturing	500	Recorded	In Process

Table 16

Financial Services Companies that Failed to Submit
their Semi Annual Reports to the JSC within the Specified Period

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Arab Financial and Consultancy Services	500	Recorded	Fine Paid
2	Aman for Securities	500	Recorded	Fine Paid

Table 17

Financial Services Companies that Failed to
Submit to the JSC Copies of their Agreements with Banks

No.	Violating Party	Measures Taken			Level of Compliance
		Fines (JD)	Recorded in JSC Records	Compliance with the Law, Regulations, and Instructions	
1	Imcan for Financial Services	---	Recorded	Compliance	In Process

Table 18

Parties that Effected Transactions in Securities

No.	Violating Party	Measures Taken			Level of Compliance
		Fines (JD)	Recorded in JSC Records	Compliance with the Law, Regulations, and Instructions	
1	United Co. for Financial Investments	---	Recorded	Compliance	---
2	Aleman Financial Investments	200	Recorded	---	Fine Paid
3	Arab Co-operation Financial Investment Co.	---	Recorded	Compliance	---
4	Export and Finance Bank Co.	---	Recorded	---	---
5	Sami Jameel Barakat	100	Recorded	---	Fine Paid
6	Arab Co-operation Financial Investment Co.	---	Recorded	Compliance	---
7	Export and Finance Bank Co.	---	Recorded	Compliance	---
8	Jordan Investment and Finance Bank	---	Recorded	Compliance	---
9	Shareco Brokergae Co. LTD.	200	Recorded	---	Fine Paid
10	Shareco Brokergae Co. LTD.	500	Recorded	---	Fine Paid

Table 19

Parties that Traded in Securities or Influenced others to Trade on the Basis of Inside Information

No.	Violating Party	Measures Taken			Level of Compliance
		Fines (JD)	Recorded in JSC Records	Compliance with the Law, Regulations, and Instructions	
1	Social Security Corporation	---	Recorded	Compliance	---

Table 20

Financial Services Companies that Failed to Observe the Interests of their Clients when Conducting Cross Order Transactions

No.	Violating Party	Measures Taken			Level of Compliance
		Fines (JD)	Recorded in JSC Records	Compliance with the Law, Regulations, and Instructions	
1	Al-Watanieh for Financial Services Co. LTD.	1865	Recorded	---	Fine Paid
2	Al-Amal Financial Investment Co. LTD.	300	Recorded	---	In Process
3	National Portfolio Securities	---	Recorded	Compliance	---

Table 21

Financial Services Companies that Sold Securities without Verifying their Ownership

No.	Violating Party	Measures Taken			Level of Compliance
		Fines (JD)	Recorded in JSC Records	Compliance with the Law, Regulations, and Instructions	
1	Philadelphia Investment Bank	100	Recorded	---	Fine Paid
2	Société Générale Bank	100	Recorded	---	Fine Paid
3	Industrial Development Bank	100	Recorded	---	Fine Paid
4	Trans Jordan for Financial Services	---	Recorded	---	---
5	Jordan National Bank	---	Recorded	---	---
6	Arab Financial and Consultancy Services	100	Recorded	---	Fine Paid
7	Bank of Jordan	100	Recorded	---	Fine Paid
8	Jordan Islamic Bank for Finance and Investment	100	Recorded	---	Fine Paid

Table 22

Financial Services Companies that failed to
Submit Data which Reflect the Real Status of the Company, and Failed
to Keep Records in Accordance with the Accredited Accounting Standards

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Samir and Sameh Bros. for Investment Co.	1000	Recorded	Fine Paid
2	Imcan for Financial Services	5000	Recorded	Fine Paid
3	Amman for Securites	---	Recorded	---

Table 23

Financial Services Companies that were Found
to have Unsigned Clients Identification Notifications

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Jordan Islamic Bank for Finance and Investment	200	Recorded	Fine Paid

Table 24

Financial Services Companies that Failed to Keep
Sufficient Liquid Assets to Cover Short Term Liabilities

No.	Violating Party	Measures Taken			Level of Compliance
		Fines (JD)	Recorded in JSC Records	Compliance with the Law, Regulations, and Instructions	
1	Imcan for Financial Services Co.	150	Recorded	Compliance	Fine Paid
2	Atlas Investment Group	150	Recorded	---	Fine Paid
3	Al-Shorouq Financial Brokers	150	Recorded	---	Fine Paid
4	Trans Jordan for Financial Services Co.	150	Recorded	---	Fine Paid
5	Jordan and Gulf Investment	150	Recorded	---	Fine Paid
6	Imcan for Financial Services Co	150	Recorded	Compliance	Fine Paid

Table 25

Financial Services Companies that Violated
Capital Adequacy Instructions by Allowing Total
Clients Accounts Receivables to Exceed 200% of Owners Equity

No.	Violating Party	Measures Taken			Level of Compliance
		Fines (JD)	Recorded in JSC Records	Compliance with the Law, Regulations, and Instructions	
1	Imcan for Financial Services	150	Recorded	Compliance	Fine Paid
2	Eleman Financial Investment	150	Recorded	---	Fine Paid
3	Al-Watanieh for Financial Services	150	Recorded	---	Fine Paid

Table 26

Financial Services Companies that Violated
Capital Adequacy Instructions by Allowing Total
Broker's Liabilities to Exceed 250% of Owners Equity

No.	Violating Party	Measures Taken			Level of Compliance
		Fines (JD)	Recorded in JSC Records	Compliance with the Law, Regulations, and Instructions	
1	Imcan for Financial Services Co.	150	Recorded	Compliance	Fine Paid
2	Imcan for Financial Services Co.	150	Recorded	Compliance	Fine Paid

Table 27

Financial Services Companies that Charged their
Clients Commissions for the Sale of Shares without Balance

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Industrial Development Bank	150	Recorded	Fine Paid
2	Jordan National Bank	150	Recorded	Fine Paid

Table 28

Financial Services Companies that
Failed to Keep the Adjusted Owners Equity of not
Less than 25% of the Annual Expenses of the Previous Year

No.	Violating Party	Measures Taken			Level of Compliance
		Fines (JD)	Recorded in JSC Records	Compliance with the Law, Regulations, and Instructions	
1	Imcan for Financial Services Co.	150	Recorded	Compliance	Fine Paid
2	Atlas Investment Group	150	Recorded	---	Fine Paid
3	Jordan and Gulf Investment	150	Recorded	---	Fine Paid

Table 29

Financial Services Companies that Violated
Capital Adequacy Instructions by Allowing Total
Partners' Withdrawals to Exceed 20% of Paid- Up Capital

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Al-Shorouq Financial Brokers Co.	150	Recorded	Fine Paid
2	Imcan for Financial Services Co.	150	Recorded	Fine Paid

Table 30

Financial Services Companies that Violated
Capital Adequacy Instructions by Allowing Net
Shareholders' Equity to Drop Below 75% of the Minimum Capital

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Al-Shorouq Financial Brokers Co.	250	Recorded	Fine Paid

Table 31

Financial Services Companies that Failed to
Submit to the ASE a Trial Balance of Accounts

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Trans Jordan for Financial Services	150	Recorded	Fine Paid

Table 32

Financial Services Companies that Failed
to Keep Complete Authorizations from Clients,
or that Kept Blank Authorizations Signed by Clients

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Jordan National Bank	200	Recorded	Fine Paid
2	Al-Watanieh for Financial Services Co.	200	Recorded	Fine Paid

Table 33

Financial Services Companies that
Failed to Certify the Validity of Clients Signatures
and verify their Identities and Capacity for Contracting

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Al-Amal Financial Investment Co. LTD.	250	Recorded	Fine Paid

Table 34

Employees of Financial Services Companies
who Traded through other Brokerage Firms

No.	Violating Party	Measures Taken			Level of Compliance
		Fines (JD)	Recorded in JSC Records	Compliance with the Law, Regulations, and Instructions	
1	Samer Nabeel Kanan	---	Recorded	Compliance	---

Table 35

Investment Funds that Invested more than 5%
of their Assets in Securities Issued by a Single Issuer

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Jordan Trust Co.	200	Recorded	Fine Paid

Table 36

Financial Brokerage Companies that Failed to
Register in its Buy and Sell Authorizations Record

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Arab Financial Consultancy Services	50	Recorded	Fine Paid

Table 37

Financial Services Companies that
Failed to Keep in the Clients Files, Copies of the
Clients Identification Notifications and the Clients Signatures Forms

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Jordan National Bank	150	Recorded	Fine Paid
2	The Financial Investment Company for Shares and Bonds	150	Recorded	Fine Paid
3	Al-Watanieh for Financial Services Co.	150	Recorded	Fine Paid

Table 38

Financial Services Companies that
Violated the Margin Financing Instructions

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Arab Cooperation Financial Investment Co.	1000	Recorded	Fine Paid
2	The Arab Financial Investment	250	Recorded	Fine Paid

Table 39

Financial Services Companies that
Charged Commissions below the Permitted Level

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	The Arab Financial Investment	250	Recorded	Fine Paid
2	Jordan Islamic Bank for Finance and Investment	250	Recorded	Fine Paid

Table 40

Investment Managers that Managed Mutual
Funds Contrary to the Funds Investment Policies

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Jordan Investment Trust Co.	200	Recorded	Fine Paid

Table 41

Investment Trustees that Failed to Monitor and
Evaluate the Management of Mutual Funds Investments

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Arab Banking Corporation (Jordan)	250	Recorded	Fine Paid

Table 42

Parties that Performed the Activity of Investment
Trustee without having a Registered Investment Trustee

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Arab Banking Corporation (Jordan)	150	Recorded	Fine Paid

Table 43

Parties that Failed to Inform the JSC of the
Termination of Employment of their Registered
Persons and Reasons for the Employment Termination

No.	Violating Party	Measures Taken		Level of Compliance
		Fines (JD)	Recorded in JSC Records	
1	Arab Banking Corporation (Jordan)	150	Recorded	Fine Paid
2	Société Générale Bank	---	Recorded	---

Table 44

Financial Services Companies that Failed to Exclude
Value of Suspended Shares for the Purpose of Liquidity Calculation

No.	Violating Party	Measures Taken			Level of Compliance
		Fines (JD)	Recorded in JSC Records	Compliance with the Law, Regulations, and Instructions	
1	Amman for Securities	150	Recorded	Compliance	Fine Paid

Table 45

Financial Services Companies that Performed
Financial Services Activities without a License from the JSC

No.	Violating Party	Measures Taken			Level of Compliance
		Fines (JD)	Recorded in JSC Records	Compliance with the Law, Regulations, and Instructions	
1	Imcan for Financial Services	---	Recorded	Compliance	---

Table 46

Financial Services Companies that Registered
Cash Withdrawals by Partners as Accounts Receivables

No.	Violating Party	Measures Taken			Level of Compliance
		Fines (JD)	Recorded in JSC Records	Compliance with the Law, Regulations, and Instructions	
1	Imcan for Financial Services	---	Recorded	Compliance	---





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